

**DEPARTMENT OF THE TREASURY  
FEDERAL LAW ENFORCEMENT  
TRAINING CENTER**



**PERFORMANCE  
AND  
ACCOUNTABILITY  
REPORT**

**FISCAL YEAR 2002**



DEPARTMENT OF THE TREASURY  
FEDERAL LAW ENFORCEMENT  
TRAINING CENTER



PERFORMANCE  
AND  
ACCOUNTABILITY  
REPORT  
FISCAL YEAR 2002



# DEPARTMENT OF THE TREASURY FEDERAL LAW ENFORCEMENT TRAINING CENTER

The Federal Law Enforcement Training Center (FLETC) was established by Treasury Order 217 on July 1, 1970 as a bureau within the Department of the Treasury. Originally located in Washington, DC, the FLETC relocated its headquarters and main training center to Glynco, Georgia in 1975. In 1989, the FLETC expanded its operations to Artesia, New Mexico with the purchase of a 2,200-acre site that supports the Bureau of Indian Affairs and other advanced training needs. In FY 1991, the U.S. Border Patrol established a temporary training site in Charleston, South Carolina. The FLETC does not own this facility, but provides support to the U.S. Border Patrol operation of the temporary training site. In FY 2001, the FLETC added a 247-acre facility in Cheltenham, Maryland for firearms and vehicle operation requalification training for Federal law enforcement officers in the metropolitan DC area. The facility is planned to be fully operational in FY 2004. The FLETC is an interagency center providing training to over 70 partner organizations and many more space-available agencies. The FLETC is currently expanding its facilities to meet the demands for law enforcement training-basic, advanced, requalification, state/local, and international.

Overall policies and participation of the FLETC are governed by a Memorandum of Understanding which is signed by the agencies participating in training. An Interagency Board of Directors, chaired by the Under Secretary of Enforcement for the Treasury, sets policies on training matters. There are eight members of the Board: five voting and three non-voting.



The voting members are:

- Department of the Treasury
- Department of Justice
- Department of Interior
- General Services Administration
- Rotating (currently Transportation Security Administration)

The non-voting members are:

- Office of Management and Budget
- Office of Personnel Management
- U.S. Capitol Police

The Board of Directors meets quarterly. Typically, the meetings alternate between Washington, DC and Glynco, Georgia.



TABLE  
OF  
CONTENTS



OUR MISSION IS TO SERVE AS  
THE FEDERAL GOVERNMENT'S  
LEADER FOR AND PROVIDER OF  
WORLD-CLASS  
LAW ENFORCEMENT TRAINING.



# TABLE OF CONTENTS



Executive Summary.....	5
Message from the Director.....	7
Message from the Chief Financial Officer.....	9
FY 2002 Highlights.....	11
Management Discussion and Analysis.....	19
Federal Managers' Financial Integrity Act (FMFIA) Summary.....	53
Auditor's Report.....	57
Financial Statements.....	65
Notes to the Financial Statements.....	71
Custodial Financial Statements.....	83
Supplemental Information.....	87





# EXECUTIVE SUMMARY



This report marks the seventh consecutive year that the FLETC has prepared a Performance and Accountability Report. FY 2002 is the third successive year in which the FLETC received an unqualified opinion as a result of an independent financial audit.

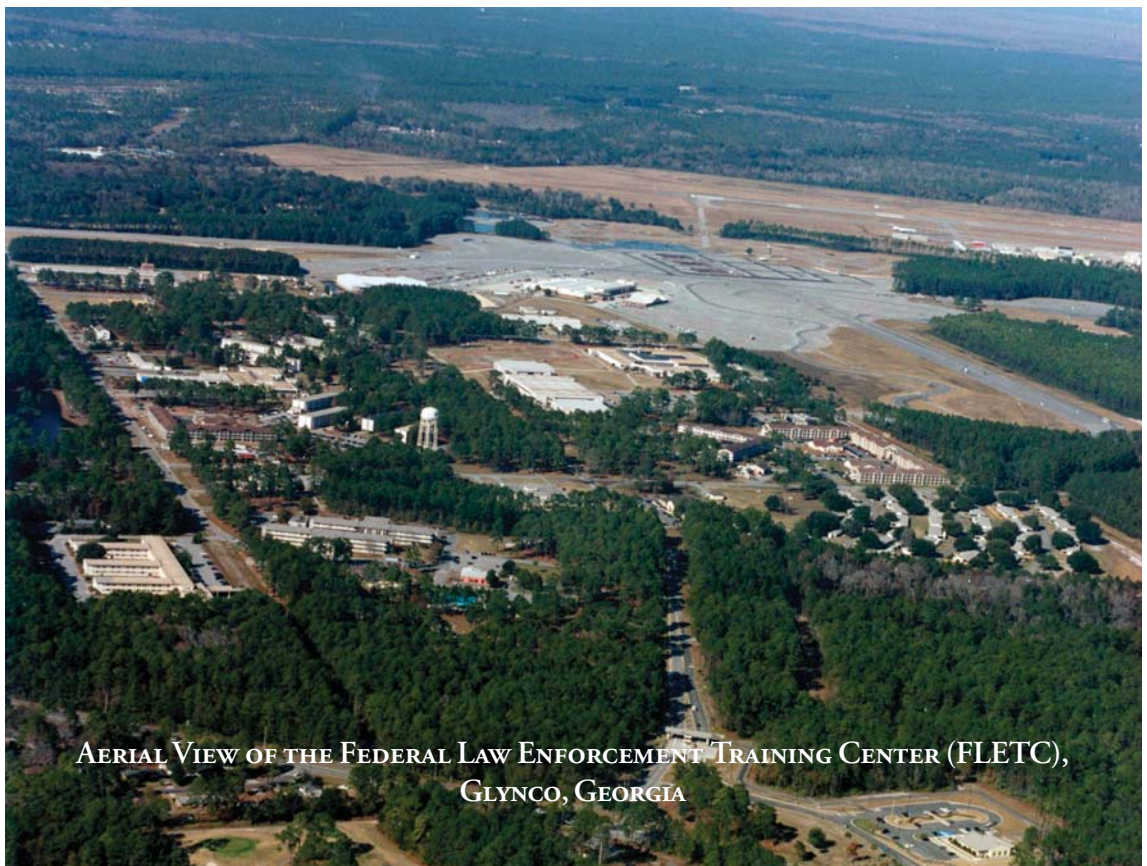
The report includes messages from both the FLETC's Director and Chief Financial Officer, FY 2002 Highlights, Management Discussion and Analysis, Federal Managers' Financial Integrity Act Summary, Auditor's Report, Financial Statements, Notes to the Financial Statements, and Supplemental Information. The Management Discussion and Analysis section addresses the FLETC's organizational structure, mission, vision, performance goals, trends and future effects, and key financial highlights.

A copy of the FLETC's FY 2002 Performance and Accountability Report is available for public review and downloading at the FLETC's Web Page: <http://www.fletc.gov/contents/htm>.





WELCOME CENTER



AERIAL VIEW OF THE FEDERAL LAW ENFORCEMENT TRAINING CENTER (FLETC),  
GLYNCO, GEORGIA



# MESSAGE FROM THE DIRECTOR



Fiscal Year 2002 has been an exceptionally productive year for the FLETC. We have responded successfully to the unprecedented demand for federal law enforcement training from partner and non-governmental organizations. Over 32,000 students were trained in FY 2002, an all-time high for the FLETC in its 32 years of operation. I am very proud of the enormous accomplishment made possible by the FLETC staff's unwavering support, professionalism and dedication to duty.

Most of the FLETC's efforts in FY 2002 were focused in accommodating the post-9/11 training needs of the partner organizations. We have included the significant accomplishments supporting these efforts in the FY 2002 Highlights in this report. I commend our partner organizations who have continuously collaborated with us in establishing new training programs and refining training curricula. The FLETC values the teamwork and camaraderie with the partner organizations that are vital in effectively training the new federal law enforcement officers who are expected to be at the forefront of homeland security.

The FLETC continues to upgrade its infrastructure in an effort to provide an ideal training environment. Two new firearms ranges were completed in Artesia, New Mexico. Numerous renovation projects enabled the FLETC facilities to be more conducive to the demanding life of law enforcement students. We significantly improved the logistical support for students. A direct jet service and affordable, quality hotel-type accommodations are now available at Glynco, Georgia. We will aggressively seek funding for the FLETC Master Plan construction and renovation projects to ensure that our facilities are modernized and equipped with the state-of-the-art training devices. We will be innovative in order to keep up with the emerging demands for better service at reduced training costs.

In this era of heightened security and terrorist threats, the FLETC is mindful of the public expectation that federal law enforcement officers be trained effectively with the most up-to-date, relevant knowledge and honed practical skills, ready to take on the challenges of protecting the U.S. citizenry. I am glad to report that the FLETC continues to provide leadership and direction in the accreditation process of law enforcement training agencies. The accreditation will distinctively recognize the excellence in training federal agents and law enforcement officers, as well as, provide assurance to the public that the federal law enforcement officers are trained properly.

Finally, in view of the realignment of the FLETC to the new Department of Homeland Security, the FLETC will continue to provide cost-effective law enforcement training to our partner organizations and other stakeholders. We look forward to the challenges of the future.

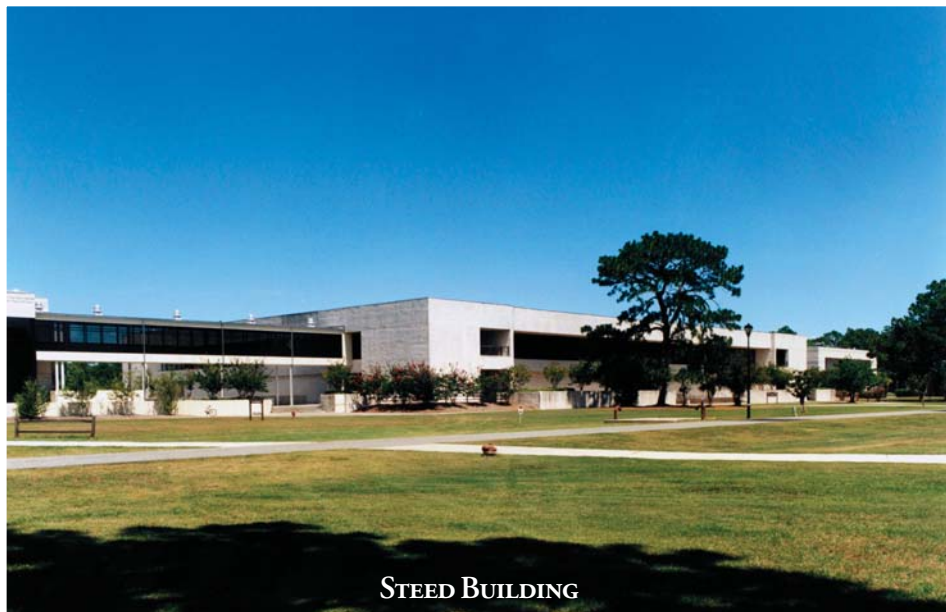


*Connie L. Patrick*

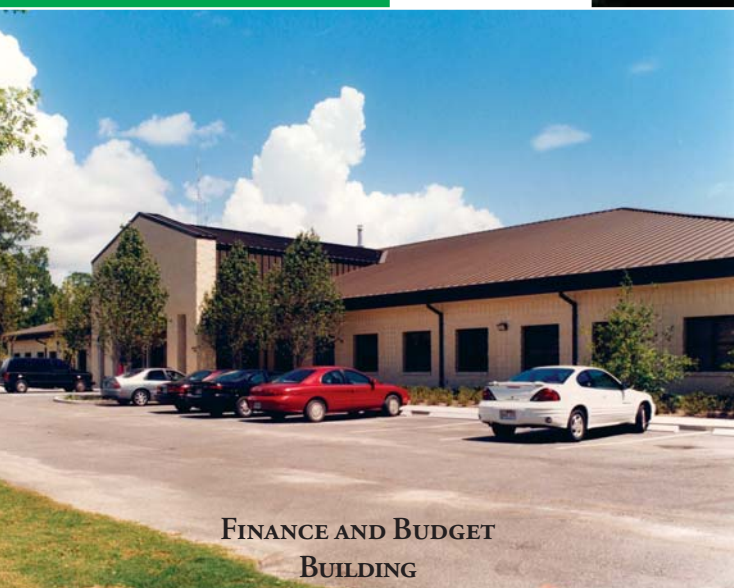
Connie L. Patrick



MESSAGE  
FROM THE  
CHIEF FINANCIAL  
OFFICER



STEED BUILDING



FINANCE AND BUDGET  
BUILDING

“THE FLETC RESPONDED TO THE CRITICAL POST-9/11 TRAINING NEEDS OF PARTNER AND NON-GOVERNMENTAL ORGANIZATIONS IN A PROFESSIONAL AND TIMELY MANNER. THE TRAINING OF LAW ENFORCEMENT OFFICERS ACCOMPLISHED IN FY 2002 WAS TRULY REMARKABLE.”



COVERDELL BUILDING



# MESSAGE FROM THE CHIEF FINANCIAL OFFICER



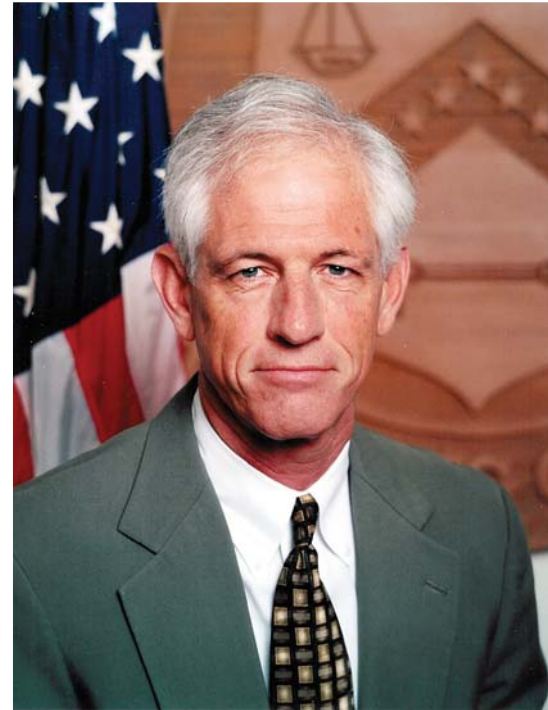
I am very pleased to present the Federal Law Enforcement Training Center's (FLETC) Performance and Accountability Report (PAR) for Fiscal Year 2002. The PAR contains highlights of key accomplishments, management discussion and analysis that includes the FLETC performance measures, Federal Managers' Financial Integrity Act summary, auditor's report, financial statements with notes and supplementary information.

The FLETC's commitment to excellence in financial reporting was prevalent in FY 2002. We consistently met the Department of the Treasury 3-Day close requirement, which became the pivotal foundation for an orderly financial closeout at the end of the fiscal year. The FLETC staff overwhelmingly supported the Department of the Treasury's objective for an accelerated year-end closing and diligently worked hard to ensure its timely completion. Indeed, it was a noteworthy accomplishment in financial reporting. I am very proud for the "can do" attitude and professionalism displayed by the FLETC staff.

For the third consecutive year, the FLETC received an unqualified opinion on its financial statements, which indicates a sustained competency in managing the FLETC's resources. We are assessing the management issues reported by the independent auditor and expect to aggressively incorporate viable solutions for those issues to improve our day-to-day business processes. We will continue to seek innovative ways that will culminate in better support of the FLETC's training mission.

The FLETC continued to upgrade its Momentum financial management software with the conversion to a web-based platform in FY 2002. Also, two additional modules, the Cost Accounting and Fixed Assets, were implemented to integrate the direct recording of business transactions and their financial effects in the financial systems. These financial management software upgrades demonstrate the FLETC's continuing efforts to meet the financial management standards of success outlined in the President's Management Agenda.

The FLETC responded to the critical post-9/11 training needs of partner and non-governmental organizations in a professional and timely manner. The training of law enforcement officers accomplished in FY 2002 was truly remarkable. As we look forward to the challenges of law enforcement and homeland security training, the FLETC's Chief Financial Officer organization remains deeply focused on providing guidance and support toward sustaining sound resource management for our training mission.



D. Kenneth Keene







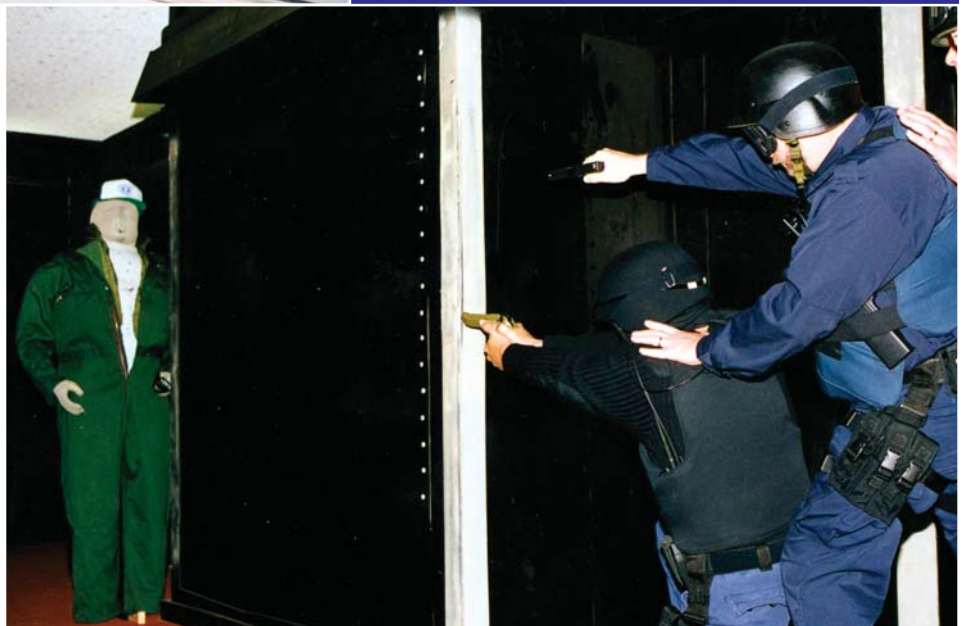
DEPARTMENT OF THE TREASURY  
FEDERAL LAW ENFORCEMENT  
TRAINING CENTER



HIGHLIGHTS  
FISCAL YEAR 2002



FLETC  
TRAINS  
AMERICA'S  
FIRST LINE  
OF  
DEFENSE







The FLETC has been in operation since 1970 and has evolved through many changes during its 32 plus years of operation. Two of the most notable events in its history were the selection of Glynco, Georgia as the headquarters site in 1975 and the opening of the Artesia, New Mexico facility in 1989. These two permanent locations ensure that the original intent of the interagency law enforcement training task force that created the FLETC has been met. Specifically, the FLETC was established to provide consistent, high quality law enforcement training programs in state-of-the-art facilities.

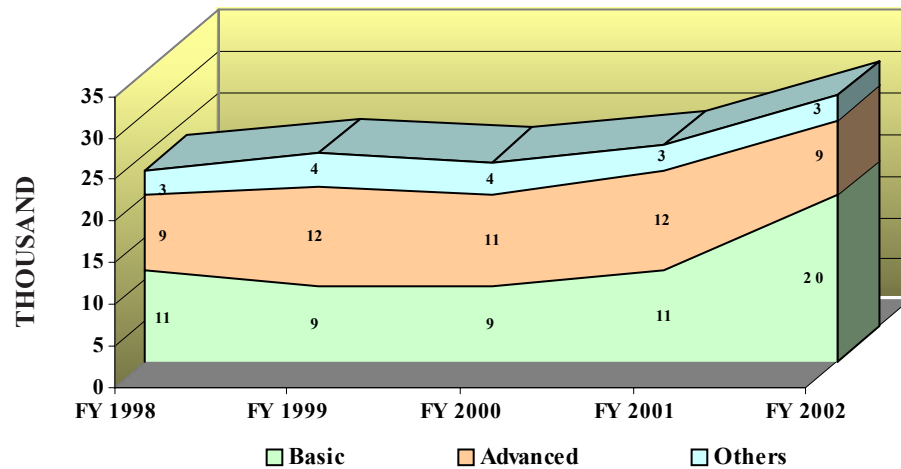
In FY 2002, the FLETC's primary objective was to muster its resources and provide the critical post-9/11 training needs of its partner organizations. The following selected highlights reflect the most recent accomplishments in support of FLETC's partner organizations and in furtherance of FLETC's training mission:

## TRAINING OPERATIONS

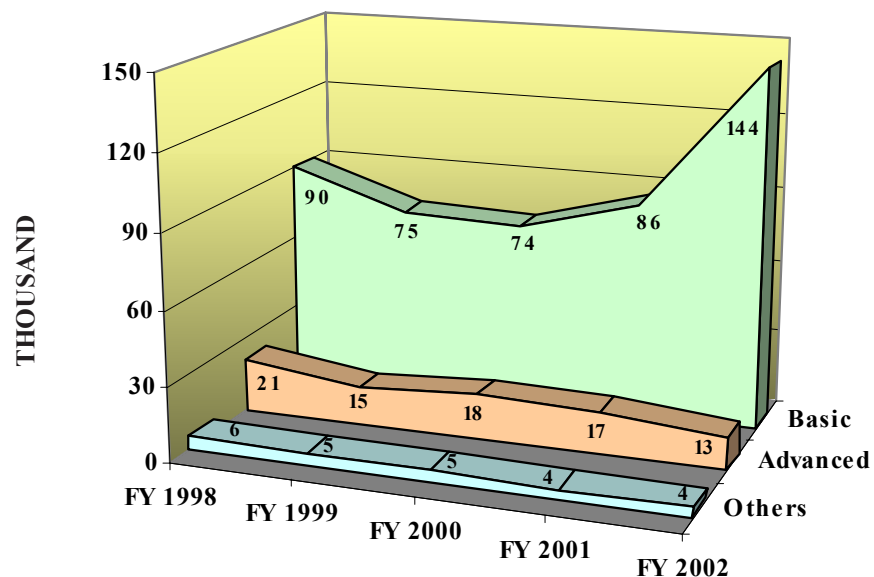
- **High Intensity Financial Crime Areas (HIFCA).** In response to the Department of the Treasury's National Money Laundering Strategy, the FLETC has successfully developed and expeditiously delivered the Advanced Money Laundering Investigations training module for HIFCA. Law enforcement agents from Chicago, Los Angeles, New York and San Francisco, and Puerto Rico were trained in this module in FY 2002.
- **Beamhit – Lasershot Technology: An Excellent Choice to Enhance Shooting Skills.** As part of its continuous commitment to reduce environmental hazards, the FLETC integrated new commercial off-the-shelf technologies, Beamhit and Lasershot, to enhance the fundamental shooting skills of law enforcement training students without the use of live ammunitions. The FLETC Firearms Division modified a separate classroom wherein students can hone their marksmanship skills using the two merged technologies.
- **Train-the-Trainer.** The FLETC developed training programs that addressed various post-9/11 needs of partner organizations. Specifically, the FLETC assisted the newly formed Transportation Security Administration (TSA) in developing a 30-hour train-the-trainer program to screen instructors, a 40-hour training program for Passenger Security Screeners, and a search and seizure treatise for the TSA Chief Counsel specifically directed at airport searches. After an initial pilot program at the FLETC in February 2002, the TSA exported the Passenger Security Screener Training Program throughout the nation. Additionally, the FLETC Legal Division developed a legal course of instruction unique to the Federal Air Marshal training program.

## Number of Students Trained and Student Weeks FY 1998 - FY 2002

### NUMBER OF STUDENTS TRAINED



### NUMBER OF STUDENT WEEKS



The number of students trained and student-weeks of training have grown tremendously over the past five years. The number of students and student-weeks have increased by 46% and 38% respectively, since FY 1998, with the biggest jump attributed to the post-9/11 training requirements for additional federal law enforcement officers in FY 2002.





- **Driver Pursuit Initiative.** The FLETC Office of State and Local Training staff participated in seven symposia conducted by the National Center. After thoroughly examining the legal, ethical and moral issues that impact the individuals, agencies and communities, the panel of subject matter experts and participants formulated a viable pursuit policy. The symposia assisted in identifying specific training and technological needs related to the driver pursuit that will enhance the effectiveness of law enforcement agencies.
- **Survival Scores Research Project.** The FLETC completed the Survival Scores Research Project that assessed the performance of law enforcement officers under stress in a dynamic training environment. The FLETC Behavioral Science Division measured the student participants' heart pulse rate, blood pressure and cortisol, as well as psychological measures, and compared the collected data to their performance to identify predictive indicators of performance under stress. As a result of the study, the division recommended modifications designed to improve the FLETC training programs.

## **FEDERAL LAW ENFORCEMENT TRAINING ACCREDITATION**

In an effort to increase the professionalism of federal law enforcement training, the FLETC was funded in FY 2002 to facilitate the development and implementation of an accreditation process for federal law enforcement training. The FLETC established and staffed the Office of Accreditation (OAC) in FY 2002. Working with a task force of federal and state law enforcement trainers, the OAC coordinated the effort to complete the development of a set of standards and an independent accreditation process called the Federal Law Enforcement Training Accreditation (FLETA). The FLETA process provides law enforcement agencies with an opportunity to voluntarily demonstrate that they meet an established set of professional standards in order to receive an appropriate recognition. The effort included gaining support and commitment from Cabinet levels to establish a FLETA Board, under the provisos of a Memorandum of Understanding between participating departments, to represent law enforcement agencies throughout the federal government and their various training academies and programs. The Board was established and met in August 2002. The Board holds the final authority for FLETA standards, processes and procedures. The Board confers accreditation status to the training programs and academies that submit to the assessment process and successfully complete all requirements. Although the FLETC Director serves as the Executive Secretary of the FLETA Board and the FLETC provides administrative support for the OAC operations, the FLETC and the FLETA Board are independent of one another and serve different functions in the broad mission of federal law enforcement training.

## **CHELTENHAM, MARYLAND**

In FY 2002, there was significant progress in the development of the driver and firearms requalification training facility in Cheltenham, Maryland. The environmental assessment

and architectural and engineering design for 13 construction projects were completed. The ground breaking for the indoor firearms range was held in July 2002. The completion and dedication of the U.S. Capitol Police Academy building highlighted the progress of the facility. The state-of-the-art building will allow the U.S. Capitol Police to conduct agency specific, in-service and advanced training, as well as practical exercises, for over 1,200 law enforcement officers in the metropolitan Washington, DC area. The Cheltenham, Maryland facility expects to be fully operational by 2004.

### **FLETC REORGANIZATION**

In FY 2002, the FLETC became a “flatter” organization primarily to improve its responsiveness to post-9/11 workload requirements and to closely align its business practices with the President’s Management Agenda. The previous three Associate Director positions were replaced by a single Deputy Director position, who now has Assistant Directors reporting directly to that position. The streamlined reporting structure promotes centralized control, eliminates duplication, improves internal communication and facilitates faster decision-making. Similarly, the Planning and Workforce Development Directorate was dissolved with its subordinate Strategic Planning and Analysis Division realigned under the Chief Financial Officer as an element of the budget and performance integration initiative. Also, the Workforce Development Division was realigned with the Human Resources Division under the new Chief Human Capital Officer. The most notable change in the training operation involved the addition of an Assistant Director, Field Training. The new office oversees the consolidated non-federal and non-headquarters functions, including state and local and international law enforcement training activities, training sites in New Mexico and Maryland, and support for the temporary Border Patrol training facility in South Carolina. This change better positions the FLETC to respond to the homeland security training needs of non-federal agencies and to address the training needs associated with the war on terrorism, including terrorist financing and international money laundering. The FLETC activities related to the information technology and E-government were consolidated under the Chief Information Officer, who now oversees the Information Systems Division and the distributed learning programs. Also, the new Chief Assets Management Officer oversees the Facilities Management, Procurement and Property Management Divisions.

Federal Law Enforcement Training Center  
Cheltenham, Maryland







## TRAINING SUPPORT

- **TSA Facility.** The FLETC entered into a lease agreement for an adjacent off-site facility to accommodate the office space requirements of the TSA training staff. The lease agreement is a precursor to the ultimate purchase of the 20-acre site upon the availability of funds.
- **Headhunter Referral Program.** The FLETC implemented the Headhunter Referral Program, a recruitment incentive program designed to reward FLETC staff who successfully referred selected candidates for critical job vacancies. In FY 2002, 12 positions were filled from the 265 referrals under the program.
- **Hotel-type Student Lodging.** The FLETC accepted the first of three build-lease hotel-type facilities for students at Glynco, Georgia. The facility provides quality lodging accommodations at reasonable costs. The close proximity of the 300-room building to the Center allows the students an easy access to the classrooms, cafeteria and physical fitness facilities.
- **Jet Service to Glynco, Georgia.** The FLETC successfully negotiated an upgrade of the commuting air transportation service to Glynco, Georgia with the Delta Airlines. The direct jet service to Glynco, Georgia has significantly reduced the commute time for students and the travel costs incurred by partner organizations. The FLETC had been transporting the students to and from airports in Jacksonville, Florida or Savannah, Georgia, approximately an hour commute one way.
- **Construction.** Numerous construction projects were completed in FY 2002 to accommodate the increased training requirements. The notable completions include two new indoor/outdoor firearms ranges at Artesia, New Mexico; a new crowd control tear gas range at Glynco, Georgia; and the U.S. Capitol Police building at Cheltenham, Maryland.
- **Information Technology (IT).** In support of the IT strategic plan, the FLETC Information Systems Division developed the Center's IT modernization program. Also, the FLETC is participating in a Smart Card and Public Key Infrastructure Proof of Concept study with the Department of the Treasury.

**TRAINING CONDUCTED - FY 2002**

CATEGORY	STUDENTS	STD-WEEKS	ARSP*	% OF TOTAL STD-WEEK
<b>GLYNCO:</b>				
Basic	13,857	101,417	1,950	63.1
Advanced	7,607	10,564	203	6.6
State/Local	527	902	17	0.6
International	167	318	6	0.2
<b>Subtotal</b>	<b>22,158</b>	<b>113,201</b>	<b>2,176</b>	<b>70.5</b>
<b>ARTESIA:</b>				
Basic	5,065	17,590	338	10.9
Advanced	879	1,594	31	1.0
State/Local	8	8	0	0.0
International	0	0	0	0.0
<b>Subtotal</b>	<b>5,952</b>	<b>19,192</b>	<b>369</b>	<b>11.9</b>
<b>CHARLESTON:</b>				
Basic	959	25,116	483	15.6
Advanced	0	0	0	0.0
State/Local	0	0	0	0.0
International	0	0	0	0.0
<b>Subtotal</b>	<b>959</b>	<b>25,116</b>	<b>483</b>	<b>15.6</b>
<b>EXPORT:</b>				
Basic	0	0	0	0.0
Advanced	489	595	11	0.4
State/Local	2,531	2,569	49	1.6
International	3	4	0	0.0
<b>Subtotal</b>	<b>3,023</b>	<b>3,168</b>	<b>3,060</b>	<b>2.0</b>
<b>RECAP:</b>				
Basic	19,881	144,123	2,771	89.7
Advanced	8,975	12,753	245	7.9
State/Local	3,066	3,479	66	2.2
International	170	322	6	0.2
<b>GRAND TOTAL:</b>	<b>32,092</b>	<b>160,677</b>	<b>3,088</b>	<b>100.0</b>

\*ARSP=Average Resident Student Population

The FLETC used 160,677 student-weeks to train 32,092 students in FY 2002, an increase of 54,270 student-weeks, from FY 2001 levels. Of the total student-weeks, 90% and 8% were attributed to the basic and advanced training programs, respectively.



DEPARTMENT OF THE TREASURY  
FEDERAL LAW ENFORCEMENT  
TRAINING CENTER



MANAGEMENT DISCUSSION  
AND  
ANALYSIS  
FISCAL YEAR 2002

# FEDERAL LAW ENFORCEMENT TRAINING CENTER



## WHY WE TRAIN

*Quality*



# MANAGEMENT DISCUSSION AND ANALYSIS



## INTRODUCTION

The FLETC is an interagency organization that provides law enforcement training to the majority of Federal law enforcement officers. The FLETC, which began training operations in 1970, also trains State, local, private sector security, and foreign law enforcement officers. The number of agencies attending training and the number of students trained and student-weeks delivered have steadily increased over the FLETC's 30 years history. The FLETC's training workload is expected to grow as a result of the September 11, 2001 terrorist attack.

After beginning operations in Washington, DC, the FLETC was relocated to Glynco, Georgia in 1975. Located on the southeast Georgia coast, the Glynco training center has classrooms, dining and residence halls, and state-of-the-art facilities for firearms, physical, driver, marine, and computer-based training activities. A similar, but smaller training center is located in Artesia, New Mexico. Artesia, which opened in late 1989, accommodates training principally for the Bureau of Indian Affairs and other law enforcement personnel located in the western United States. It also can accommodate basic and advanced training that cannot be conducted at Glynco because of space limitations. In FY 1991, a temporary training center was established by the U.S. Border Patrol in Charleston, South Carolina to accommodate training for the U.S. Border Patrol. In May 2001, the former Naval Communications Detachment facility in Cheltenham, MD, was transferred to the FLETC for conversion into a firearms and vehicle requalification training facility for federal law enforcement officers in the metropolitan Washington, DC area.

Originally only a handful of agencies trained at the FLETC. However, there are now over 70 agencies that hold partner organization status (i.e., that have signed the FLETC Memorandum of Understanding) and that train at the FLETC. Additionally, other Federal, State and local organizations, along with foreign law enforcement officials, train at the FLETC on a space-available basis. The growth in the number of agencies that train at the FLETC is a testament to the success of the consolidated training concept and to the quality and cost effectiveness of the training provided.

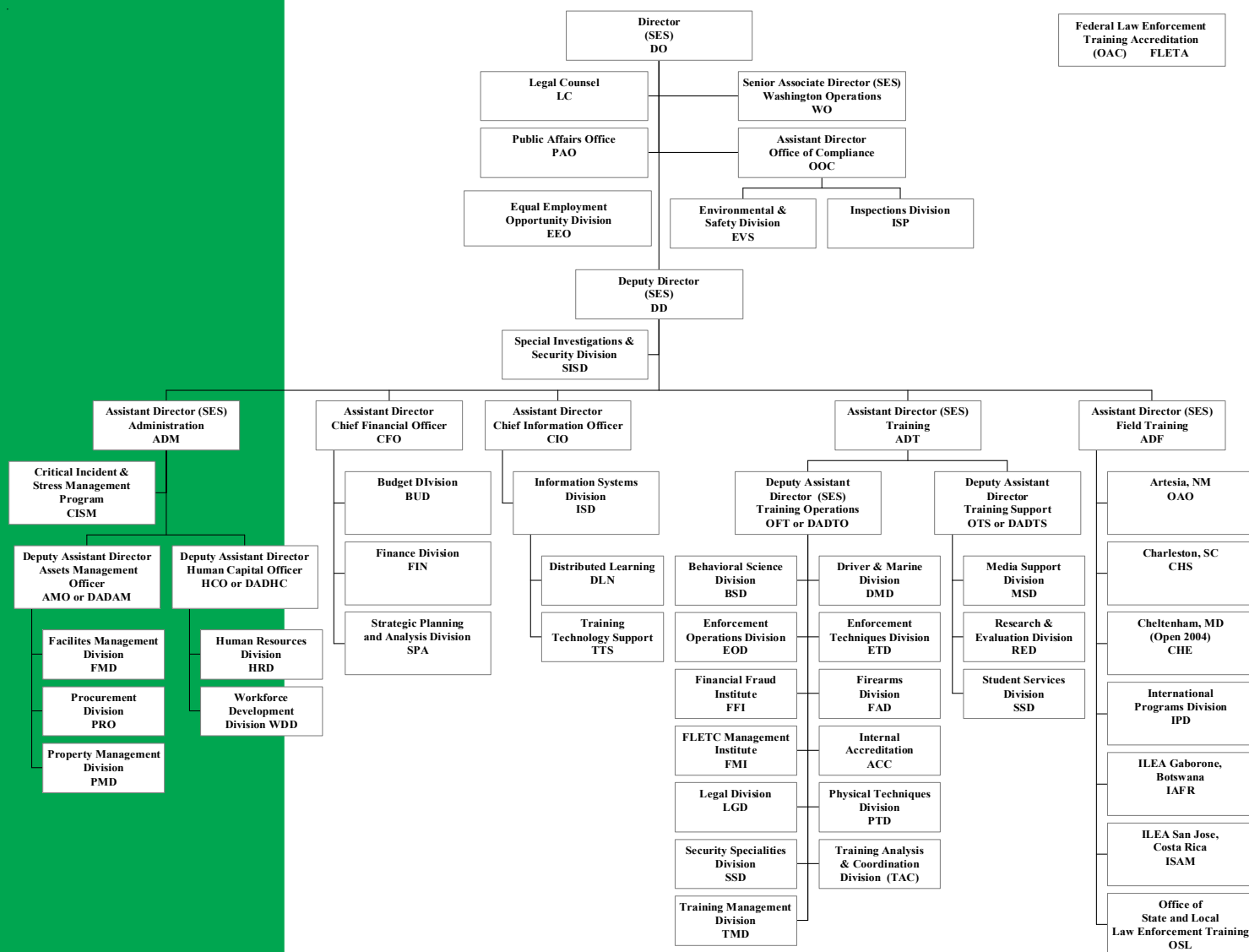
## ORGANIZATION

The FLETC is a bureau of the Treasury Department and is headed by a Director and a Deputy Director who are both appointed by the Secretary of the Treasury. Organizationally, the FLETC is divided into five directorates led by Assistant Directors who report to the FLETC Deputy Director. During FY 2002, the FLETC implemented organizational changes in a continuing effort to better align personnel and operations with the training mission. These changes will ensure that the FLETC continues to provide high quality and cost-effective training for law enforcement professionals. The following Table of Organization displays the entire organizational structure of the FLETC.

Department of the Treasury  
Federal Law Enforcement Training Center



Table of Organization







The following describes the elements in the Table of Organization:

**Office of the Director:** The Office of the Director administers the activities of the FLETC and is responsible for accomplishing its mission. The Director provides overall direction for the operation of the FLETC's programs within the objective of ensuring effective, efficient and economical administration. The Director develops, manages and directs the FLETC's programs. Also, the Director serves as the Executive Secretary of the FLETA Board. Staffs attached to this office include the Senior Associate Director for Washington Operations, Equal Employment Opportunity, Legal Counsel, Public Affairs, and the Office of Compliance. These personnel aid the Director in accomplishing the mission of the FLETC by providing coordination, public affairs, and other activities. The Office of Compliance provides managerial oversight to the Environmental and Safety and Internal Inspections Divisions.

- **Senior Associate Director for Washington Operations:** This Associate Director, serving as the Director's surrogate in Washington, DC, provides legislative support, Treasury and OMB coordination and liaison with our partner organizations and the FLETA Board.

**Office of the Deputy Director:** The Deputy Director assists the Director and acts, in his/her behalf during absence, in administering the activities of the FLETC. The Deputy Director provides the day-to-day overall direction of the five subordinate directorates for the operation of the FLETC's programs. Staffs attached to this office include the Special Investigations and Security Division.

**Assistant Director for Training:** Consisting of two major subordinate offices, the Office of Training Operations and Office of Training Support, this office administers all law enforcement training activities at the FLETC headquarters.

- **Office of Training Operations:** This office directs faculty and staff and manages programs in support of basic, advanced and specialized law enforcement training. There are ten faculty elements within the Office of Training Operations.
  - **Behavioral Science Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to the area of interpersonal relations including interviewing, handling crisis situations, professional ethics, conduct, sexual harassment, cultural sensitivity, and oral and written communications.
  - **Driver and Marine Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to the specialized nature and use of vehicles and vessels, including search techniques and operational procedures in a law enforcement environment. This division is also responsible for the special use equipment and facilities assigned to these specific training areas.

- **Enforcement Operations Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to various law enforcement operational procedures ranging from undercover and surveillance activities to the execution of search warrants. This division also provides the overall coordination for practical exercises.
- **Enforcement Techniques Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to various criminalistic skills and knowledge including laboratory and crime scene activities.
- **Financial Fraud Institute:** This division plans, develops, and presents formal training courses and practical exercise applications related to the investigation of white collar crime violations, computer fraud, and microcomputer applications in law enforcement. This division is also responsible for the special use equipment and facilities assigned to this specific training area.
- **Firearms Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to the specialized and technical nature of law enforcement armament and weaponry. This division is also responsible for the special use equipment and facilities assigned, including the armory, which provides FLETC-wide armament and weaponry security, repair, and maintenance services.
- **FLETC Management Institute:** This division plans, develops, and presents formal training courses and practical exercise applications related to managing and supervising law enforcement operations.
- **Legal Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to the U.S. Constitution, applicable case law, statutory provisions, criminal law and evidence procedures.
- **Physical Techniques Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to trauma management and cardiopulmonary resuscitation, self defense, arrest techniques, physical fitness, safety and water survival. This division is also responsible for special use equipment and facilities assigned to the specific training area.
- **Security Specialties Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to anti-terrorism, counter-terrorism, and physical security.

In addition to the faculty elements, the Training Management, Training Analysis and Coordination, and Internal Accreditation Divisions are also assigned to the Office of





Training Operations. The Training Management Division provides logistical and administrative assistance to the Office of Training, including coordinating advanced training activities and support; serving as the repository for lesson plans, syllabi, class reports, and student performance records; and developing optimal scheduling plans to meet training requirements. The Training Analysis and Coordination Division develops both long and short range plans for training operations, including scheduling of training activities and facilities. The Internal Accreditation coordinates activities related to the accreditation of FLETC training programs.

- **Office of Training Support:** This office provides services and materials that most directly relate to the training mission. It consists of the following three divisions:
  - **Media Support Division:** This division provides a full range of media and graphic arts services for all basic and advanced training activities including visual/media production, library services, and printing/reproduction.
  - **Research and Evaluation Division:** This division provides institutional research, consultation services, student evaluation and testing, and program validation studies.
  - **Student Services Division:** This division provides physical therapy, student recreation, and contractual support for health services, lodging, meals, student records maintenance, and other contractual services.

**Assistant Director for Field Training:** This office provides oversight of the non-federal and non-headquarters functions, including state, local and international law enforcement training activities and management of the FLETC's training sites in New Mexico and Maryland, and support for the temporary Border Patrol training facility in South Carolina.

- **Office of Artesia Operations:** This office administers and ensures the delivery of law enforcement training programs at our training center in Artesia, New Mexico. In addition to conducting training, this office manages all logistical and support activities for Artesia, including various contractual services providing lodging, food, maintenance and other support services.
- **Office of State and Local Training:** This office presents specialized program offerings that enhance networking and cooperation between Federal, State, and local law enforcement agencies. These programs vary in length from three days to four weeks and have an average class size of 25 students. Additionally, technical assistance is provided to State and local law enforcement agencies' training initiatives.
- **International Training Division:** This division plans, develops, and presents formal training courses, and practical exercise applications related to international law enforcement training.

- **International Law Enforcement Academy (ILEA) Gaborone, Botswana:** This division provides management direction for the Botswana ILEA.
- **International Law Enforcement Academy (ILEA) San Jose, Costa Rica:** This division provides management direction for San Jose, Costa Rica.
- **Charleston, South Carolina Facility:** This office provides support for the temporary U. S. Border Patrol training facility.
- **Office of Cheltenham, Maryland Operations:** This office manages the site preparation and facility construction and renovation of a firearms and driver requalification training facility.

**Assistant Director for Administration:** This office plans, directs and coordinates the FLETC's administrative programs and objectives. It formulates policies and courses of action for programs, which include staffing requirements, administrative services, human resources, procurement, property management, and facilities management. The Office of Administration is divided into two major offices, Asset Management and Human Capital.

- **Office of Asset Management:** This office integrates within a unified command three divisions in the total asset acquisition, management, and disposal life cycle. The office will be responsible for the total life impact of costs and risk exposures associated with the reliability, availability, maintainability, performance, longevity, and regulatory compliance of the FLETC's physical assets.
  - **Facilities Management Division:** This division develops and administers the facilities management program, including maintenance, alterations, emergency service, repairs and preventive maintenance for all buildings, grounds and equipment. It also coordinates all in-house, GSA or contract construction/alteration operations, and provides professional engineering consulting services and assistance.
  - **Procurement Division:** This division develops and administers the procurement and contracting program at the FLETC.
  - **Property Management Division:** This division plans and directs the overall property management program including real property and non-expendable personal property at the FLETC.
- **Office of Human Capital:** This office oversees two divisions, Human Resources and Workforce Development, responsible for carrying out the objectives of the human capital management strategy, assessing workforce characteristics and future needs and aligning human resource policies and programs with FLETC's mission, strategic goals and performance outcomes.
  - **Human Resources Division:** This Division develops and administers the personnel policies and programs at the FLETC.





- **Workforce Development Division:** This Division conducts workforce and organizational assessments, workforce structuring and planning, studies and analysis, external marketing and diversity programs and employee development programs.

**Assistant Director, Chief Information Officer:** This office supports FLETC’s initiative for expanding electronic government, coordinates the overall IT planning function, facilitates better coordination of information technology expenditures and activities, and ensures the compatibility of information technology equipment and service acquisitions.

- **Information Systems Division:** This division plans, organizes and coordinates computer, telecommunication, and electronics information management systems to better employ technology throughout the FLETC.

**Chief Financial Officer:** This office plans and directs the activities related to the FLETC’s budget, financial systems and strategic plans. This office administers the integration of planning and performance measurement activities with budget formulation and execution. This office ensures the integrity of financial records and performs periodic reporting of financial activities. There are three divisions within the Chief Financial Officer.

- **Budget Division:** This division prepares the FLETC budget submissions for the Treasury, OMB, and Congressional levels.
- **Finance Division:** This division directs the financial management/accounting system including accounts payable, accounts receivable, travel, and managerial/financial reporting of the FLETC.
- **Strategic Planning and Analysis Division:** This division develops the FLETC Strategic Plan, researches, develops, recommends, and documents policies and procedures and conducts management analysis and measures performance goals.

## MISSION

The mission of the FLETC is to serve as the Federal government’s leader for and provider of world-class law enforcement training. The FLETC prepares new and experienced law enforcement professionals to fulfill their responsibilities in a safe manner and at the highest level of proficiency. The FLETC also ensures that training is provided in the most cost-effective manner by taking advantage of economies of scale available only from a consolidated law enforcement training center.

## VISION FOR THE FUTURE

The FLETC is committed to providing strong, collaborative leadership for law enforcement training. Working as partners with client agencies including State, local and international organizations, the FLETC will identify ways that research, training, and education can be

used to protect our democratic institutions, ensure public safety, and preserve law and order.

## **PERFORMANCE GOALS AND RESULTS**

In order to be effective, training must be closely linked to law enforcement challenges, issues, and needs. As law enforcement needs and techniques evolve, training must change to keep pace. Law enforcement, as an integral part of society, is not immune from the effects of accelerating and multi-faceted change that has become the hallmark of turn-of-the-century America. This change involves the nature of crime itself, methods available to law enforcement, and expectations of society and the political world.

Terrorism became a reality in the United States on September 11, 2001. Law enforcement today is faced with violent extremists from a variety of foreign and domestic groups ranging from racial supremacists, to fringe religious zealots, to environmental extremists. Many of these groups utilize Internet technology to spread their message and recruit members, as well as to gain access to information that facilitates violent acts. The willingness of a wide variety of groups to use violence to further their cause has been amply demonstrated and constitutes a major law enforcement issue. Increasing awareness of and sophisticated use of computer technology has created an entirely new law enforcement arena. The dramatic growth of the Internet has spawned a revolution in technology-related crime. Financial frauds of all descriptions, money laundering, trafficking in pornography and child molestation are only a few of the types of crimes facilitated by Internet communication. The globalization of the economy and of information has made it possible to commit crimes against American interests without ever setting foot in the United States. Federal law enforcement today must have an awareness and understanding of the issues involved when dealing with international criminal activity.

The nature of organized crime is also changing. Foreign organized crime has established operations in major U.S. cities. Other organized groups have also emerged, including juvenile gangs, motorcycle gangs, white supremacist and anti-government organizations. These groups present serious law enforcement challenges including language barriers, difficulty in penetrating their structure, their propensity for violence, and their ability to coordinate their activities over large geographic areas.

New technology benefits law enforcement as well as presents new challenges. Law enforcement agencies are able to quickly obtain large amounts of information from public sources via the Internet and from increasingly sophisticated databases maintained by various government agencies. Rapid identification of individuals, the ability to conduct discrete surveillance and the ability to manage large amounts of evidentiary material with computer assistance are only a few of the aids to law enforcement made possible by modern technology. Future changes will likely include increased use by law enforcement personnel of non-lethal weapons, enhanced requirements for collection and analysis of digital evidence, and improved crisis management techniques. At the same time, these advances create certain challenges. Law enforcement agencies must integrate these new methods into their processes, develop appropriate policies for their use, and ensure that staff is adequately trained.





Faced with real problems affecting the very fabric of society, the United States is relying increasingly on law enforcement solutions. For example, the dramatic increase in the number of law enforcement officers mandated by Congress, the enhanced funding for the “war on drugs,” and significantly increased spending for counter-terrorist activities exemplify the expectation on the part of policy makers that law enforcement officers are increasingly being called on to act as “problem solvers,” taking on roles quite different from those associated with traditional enforcement.

While being called on to address a widening array of social problems, law enforcement agencies are also being held to heightened levels of scrutiny and accountability. In today’s world an officer must ensure that his or her actions pass not only the test of legality, but they must also pass the more subjective tests of appropriateness and propriety. The citizenry expects law enforcement personnel to act professionally and react quickly to complaints and lawsuits when this expectation is violated.

Given the changes cited above and the central role in ensuring that law enforcement personnel are trained to address them, the FLETC’s challenge is to develop strategic priorities that position the Center to adjust operations without disruption or diminishing effectiveness. To accomplish its mission, the FLETC has identified and will address the issues discussed below.

### **Mission Clarity**

While the stated mission appears clear and straightforward, there has been some confusion and disagreement over the FLETC’s exact role in the law enforcement arena as well as the kind of training organization the Center should aspire to be. It is clear there is a mandate to provide “Federal basic law enforcement training” and oversee facilities used by partner organizations to conduct their training.

However, there are considerably different perspectives and opinions regarding the FLETC’s role in providing advanced Federal, State and local, and international training and conducting serious, focused, results-oriented law enforcement training research. The strategic planning process has given the FLETC a forum for discussing these issues and resulted in a broader and more comprehensive view of the Center’s leadership and training role across all venues. While the FLETC is fully committed to fulfilling the requirement to provide basic Federal law enforcement training, the Center must also meet the advanced training needs of the constituent organizations.

### **Physical Capacity to Meet Training Demands**

Over the last three years, the FLETC has had difficulty meeting demand for basic training, particularly the U.S. Border Patrol, the largest partner organization in terms of student-weeks trained, which experienced a sudden and dramatic increase in the number of newly hired recruits who needed to attend basic training. This trend is expected to continue as a result of the September 11, 2001 terrorist attack. In addition, the need for in-service and advanced training will continue to grow as well because many basic students who graduate will return later for advanced training. Clearly, the FLETC will have to seek creative and

flexible means to better predict and meet the capacity demands of all the partner organizations.

### **Quality of Instruction**

Since its inception, the FLETC has been committed to its students and to instructional quality. The FLETC is fortunate to have a cadre of dedicated instructors who foster innovation and are willing to go “beyond the call of duty” to provide quality training. In addition, feedback from students and their supervisors indicates that the partner organizations are generally very satisfied with the quality of the training. However, as discussed earlier, the law enforcement arena is faced with a more complex and hostile environment. The FLETC must be able to anticipate and respond to these needs by adopting new instructional technologies, improving instructor training, and ensuring that instructors have sufficient recent field experience.

### **Partnerships with Law Enforcement Organizations**

Establishing cooperative partnerships with the partner organizations and other State, local, and international law enforcement organizations is a key underlying principle of the strategy to improve the quality, relevance, and timeliness of the FLETC’s training. Currently, the FLETC has excellent relationships with the partner organizations, but has recently initiated efforts to further improve communications with all its customers. Building on this base, the FLETC will continue to expand efforts to better anticipate, understand and respond to customer’s needs. The FLETC will need to work with partner organizations to develop innovative viable solutions to problems as they arise.

The partner organizations identify the training criteria for their respective students in a jointly sponsored Curriculum Review Conference (CRC). Also, the partner organizations contribute to the training experience by providing members of their own agency staffs on a temporary basis to augment the FLETC instructional force. In addition, the partner organizations collaborate with the FLETC to share resources such as office space. Regularly scheduled meetings between the partner organizations and the FLETC Director and senior management provide a discussion forum for many issues of mutual interest. The partner organizations work closely with the FLETC to highlight opportunities for improvement or to resolve items of concern on an on-going basis.

### **Program Evaluation**

The FLETC uses an architecture of linked Performance Evaluations. Training is evaluated during CRC’s and Curriculum Development Conferences (CDC’s) wherein reviews are conducted course by course and program by program. The continuous review, evaluation, and validation are accomplished through a professional team within the FLETC Research and Evaluation Division (RED). The results are published as documents that FLETC management uses to derive training improvement and formulate training doctrine. Program evaluations are a basis for decision making and a way of conducting business as a professional training institution. In conjunction with the cognizant partner organizations,





the FLETC continually works to assess, validate, and improve each program, as described above. Programs are constantly evolving and being refined in response to emerging issues such as changes in applicable laws, mission emphasis, the partner organizations' requirements, etc. As needed, formal CRC's or CDC's are conducted with the key program participants, and programs are further updated and/or changed to ensure that they continue to meet the law enforcement training requirements. For example, during FY 2002, the "Mixed Basic Police Training Program" was reviewed and revised to include new or upgraded anti-terrorism modules (i.e., Weapons of Mass Destruction).

### **Survey Instruments**

Given the structure and function of the FLETC, survey instruments are prepared and developed based upon the Modified Likert Scale, using contemporary survey methodology with anecdotal comments captured for specificity and clarity. Performance measures, such as Employee Satisfaction, will be assessed through survey instruments prepared, developed and evaluated by the RED. The FLETC will work with the partner organizations to develop a survey that is in concert with key business lines.

### **Strategic Direction**

The FLETC continuously assesses, innovates and more clearly focuses its strategic approach to the mission. The FLETC is keenly aware of the serious nature of the challenges faced by law enforcement officers and commits to ensuring that the best training possible is provided. Key aspects of the strategy will focus on three lines of business:

- Providing Comprehensive Training to Law Enforcement Officers That Fully Supports the Mission of All Partner Organizations—adopting a more holistic view of training that goes beyond the development of static skills and requires the student to make decisions and perform under stress. The FLETC must also provide career-long training that is responsive to the diverse and evolving needs of the law enforcement community;
- Advancing Training Effectiveness Through Dramatic Improvements in Training Development—establishing meaningful partnerships with the partner organizations in order to anticipate and respond to their training needs and to ensure that course content is up-to-date and is taught using the most innovative teaching approaches and delivery methods; and
- Working Closely With All the Partner Organizations to Evaluate and Adjust Training Scheduling and Availability—ensuring that partner organizations have access to appropriate training and that their needs are met on a timely basis.

**To fulfill its mission, the FLETC has developed a Strategic Plan that includes goals/objectives. These goals/objectives, along with key trends, accomplishments and results follow.**

**FEDERAL LAW ENFORCEMENT TRAINING CENTER (FLETC)**

**BUDGET SUMMARY**

<b>FISCAL YEAR</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>Budget (\$million)</b>	<b>98</b>	<b>110</b>	<b>113</b>	<b>153</b>	<b>171</b>
<b>FTE</b>	<b>307</b>	<b>529</b>	<b>568</b>	<b>581</b>	<b>748</b>

**SUMMARY OF FY 2002 PERFORMANCE MEASURES**

<b>Treasury Objective: Provide High-Quality Training for Law Enforcement Personnel</b>	<b>FY 2002</b>	
	<b>Plan</b>	<b>Actual</b>
Percentage of training classes held within 15 days of requested start date	85.0	95.9
Percentage of satisfaction on the Student Quality of Training Survey	90.0	99.3
Percentage of satisfaction on the Partner Organization Survey	85.0	97.5
Percentage of satisfaction on the Student Quality of Services Survey	90.0	99.7
Cost of student week of training (\$)	927	803
Percentage of satisfaction on Employees Satisfaction Survey	70.0	82.0
<b>Treasury Objective: Improve Customer Satisfaction</b>	<b>FY 2002</b>	
	<b>Plan</b>	<b>Actual</b>
Percentage of satisfaction on the Student Quality of Training Survey	90.0	99.3
Percentage of satisfaction on the Partner Organization Survey	85.0	97.5
Percentage of satisfaction on the Student Quality of Services Survey	90.0	99.7
<b>Treasury Objective: Improve Employee Satisfaction</b>	<b>FY 2002</b>	
	<b>Plan</b>	<b>Actual</b>
Percentage of satisfaction on the Employees Satisfaction Survey	70.0	82.0



## **FLETC Objective: Enhance Basic, Advanced, and In-Service Training Programs to Meet Changing Needs and Increasing Demands**

### **Key Trends**

Since inception, the FLETC experienced the biggest increase in student load in FY 2002. The increase in the number of students receiving basic training in FY 2002 substantiated the Administration and Congressional initiatives to counter terrorism and curb crime, especially in the areas of immigration, border security, drug control and interdiction, and firearms enforcement. The number of law enforcement officers requiring training is expected to continue to increase in the future. The projections received from the partner organizations indicate 53,564 students and 48,769 students for FY 2003 and FY 2004, respectively.

<b>Number of Students Trained</b>					
<b>CATEGORY</b>	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Basic</b>	<b>10,605</b>	<b>9,005</b>	<b>8,635</b>	<b>10,735</b>	<b>19,881</b>
<b>Advanced</b>	<b>11,038</b>	<b>11,708</b>	<b>10,985</b>	<b>11,525</b>	<b>8,975</b>
<b>State/Local</b>	<b>3,494</b>	<b>3,860</b>	<b>3,383</b>	<b>3,151</b>	<b>3,066</b>
<b>International</b>	<b>625</b>	<b>595</b>	<b>323</b>	<b>278</b>	<b>170</b>
<b>Total</b>	<b>25,762</b>	<b>25,168</b>	<b>23,326</b>	<b>25,689</b>	<b>32,092</b>

### **Treasury Programs**

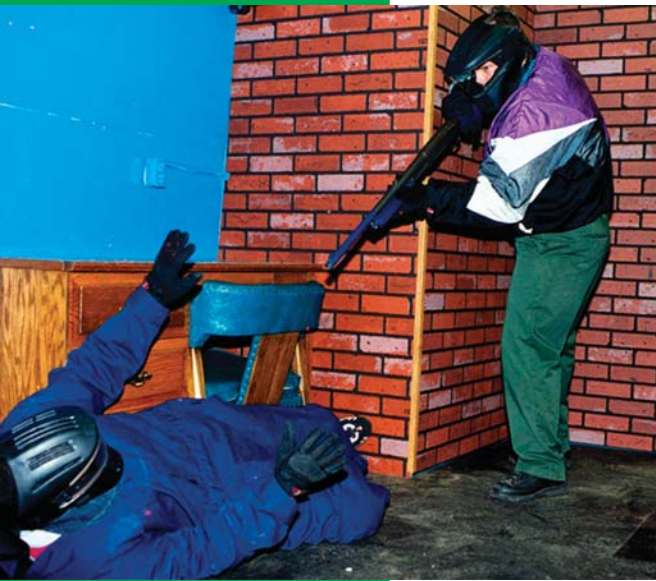
The mission of the FLETC is to serve as the Federal Government's leader for and provider of world-class law enforcement training. The FLETC prepares new and experienced law enforcement professionals to fulfill their responsibilities in a safe manner and at the highest level of proficiency. The FLETC accomplishes its mission by utilizing law enforcement and training experts; providing facilities, support services, and technical assistance; conducting law enforcement research and development; and sharing law enforcement technology. Continuous review and revision of training programs helps to ensure that law enforcement officers receive training that keeps pace with the changing criminal and law enforcement environment. The FLETC also ensures that training is provided in the most cost-effective manner by taking advantage of economies of scale available only from a consolidated law enforcement training organization.

To accomplish its mission, the FLETC must balance the competing needs and demands of its 77 partner organizations. The FLETC must also be flexible enough to respond to changes resulting from budget decisions, fluctuations in training demands, and variations in recruitment within the partner organizations.



## FY 2002 Accomplishments and Results

In FY 2002, the FLETC trained a total of 32,092 students, a 25% increase from FY 2001 levels. This included meeting all basic training for 19,881 law enforcement officers from partner organizations. Of the total students trained in FY 2002, 8,975 students received advanced training. Also, 3,066 State and local and 170 international law enforcement officers were trained.



During FY 2002, the FLETC implemented training initiatives that addressed the post-9/11 training needs of the partner organizations and improved the overall effectiveness of training. The Advanced Money Laundering Investigations training module and Security Screener train-the-trainer training programs are examples of curricula that the FLETC had developed and refined in FY 2002. Also, the FLETC installed a state-of-the-art live-scan Fingerprint System, which enables instructors to create an Automated Fingerprint Identification System (AFIS) for the training programs, thus, allowing the Center to incorporate current identification into its laboratories and practical exercises. Students are able to print and identify role-players/suspects using the same AFIS currently in use at many field locations throughout the United States and the world.

Following is a report on the performance targets in the Department of the Treasury's FY 2002 Performance Plan related to this objective:

### Federal Law Enforcement Training Center Performance Goals:

- Achieve 85% of requested classes held within 15 days of requested date
- Achieve 90% on Student Quality of Training Survey
- Achieve 85% on Partner Organization satisfaction survey
- Keep cost per student-week of training to \$927

Achieve 85% of Requested Classes Held Within 15 Days of Requested Date	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual
	-	-	-	-	95.9%

Explanation of Measure: The percentage of classes requested by the agencies that began within 15 days of the start date requested by the agency. The scale is 0-100%.

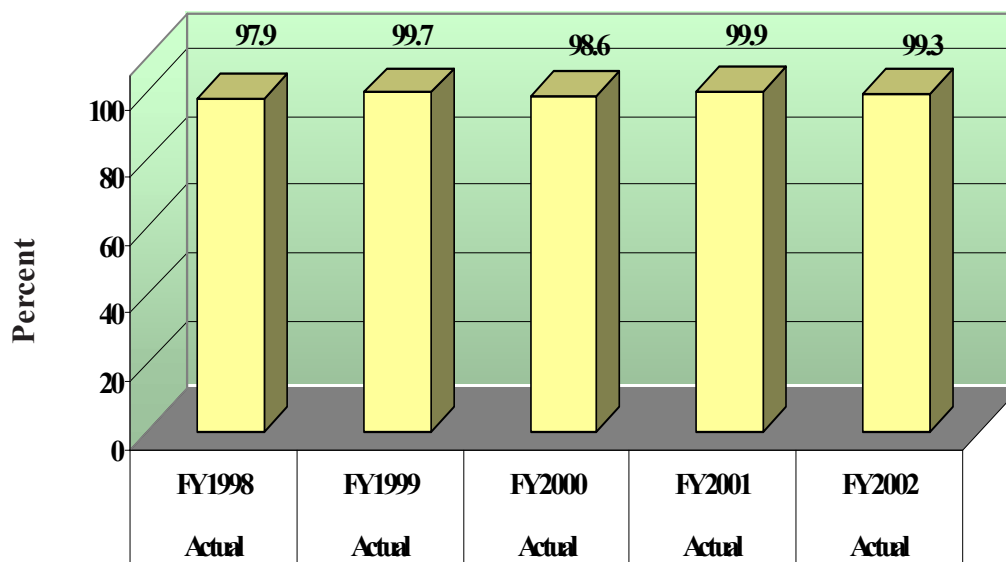
Explanation of Shortfall: (If applicable) N/A

Achieve 90% Rating on Student Quality of Training Survey	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual
	97.9%	99.7%	98.6%	99.9%	99.3%

Explanation of Measure: Training program students are surveyed to obtain their views on the overall quality of training received. The scale is 0-100%.

Explanation of Shortfall: (If applicable) N/A

### QUALITY OF TRAINING SURVEY



Achieve 85% Rating on Partner Organizations Satisfaction Survey	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual
	-	-	-	97.5%	97.5%

Explanation of Measure: Partner Organizations responses to two specific qualitative statements on “A productive, proactive partnership exists between FLETC and my agency” and “FLETC is a true partner in providing solutions to law enforcement problems.” The scale is 0-100%.

Explanation of Shortfall: (If applicable) N/A

Keep Cost per Student -Week of Training to \$927	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual
	-	-	-	-	\$803
Explanation of Measure: The cost is calculated taking the total net cost of operation divided by the number of student-weeks of training. Explanation of Shortfall: (If applicable) N/A					

**FLETC Objective: Develop and Operate State-of-the-Art Facilities and Systems Responsive to Interagency Training Needs.**

**Key Trends**

In order to comply with a Congressional mandate to close the Charleston, South Carolina training site by FY 2004, the FLETC has a Five-year Construction Plan that will provide the facilities required to increase the student throughput to accommodate this training workload and the projected workload of the 77 partner organizations. The FLETC is taking a leadership role in seeking creative solutions to expand access and availability. New ideas for distributed learning are continuously explored. Construction is continuing on facilities that will provide a training environment that is compatible with the actual working environment of law enforcement officers and that are equipped with the latest technology.

The FLETC is planning a Student Network, which is a predominantly wireless network that will serve the Glynco and Artesia campuses. It will provide students with network and Internet access at virtually any location on the campus. The Student Network will

consist of servers, routers, switches, and other equipment necessary to support the basic infrastructure of the network, while classroom buildings and dormitories will be outfitted with Wireless Access Points to give students the necessary access. Other servers will eventually be implemented to support on-line training materials, tutorials, distributed learning, etc., that instructors, students and agencies deem necessary to enhance training. E-mail servers will provide







another tool for instructor to student and student to student communication access. Internet access will furnish a necessary research tool for students during non-duty hours, when library access to the Internet is not available.

Finally, the FLETC continues to provide leadership and direction in the development of an accreditation process that would lead to the establishment of professional standards for accrediting Federal law enforcement training organizations.

### **Treasury Programs**

The FLETC began training students in 1970 with the mission of providing high quality law enforcement training programs in state-of-the-art facilities. In recent years, the FLETC has become recognized in the law enforcement community as the benchmark of excellence in law enforcement training. Since 1970, the number of Federal organizations that train at the FLETC has grown from 18 to 77.

One of the FLETC's strategic goals is to significantly expand the access to and availability of quality law enforcement training. One objective toward achieving this goal is to provide sufficient capacity to meet the training requirements of the partner organizations. In addition, the FLETC strives to meet the training needs of law enforcement organizations that would otherwise be unable to use the FLETC because of capacity constraints or cost considerations and to establish professional standards for accrediting Federal law enforcement training organizations. Further, the FLETC's goal is to effectively organize, develop, and lead its personnel in support of the Center's mission and to continually work toward strengthening its partnership among the partner agencies. The FLETC also carries out research in the various aspects of law enforcement training.

The voluntary affiliation of 77 partner organizations requires that the FLETC continually balance competing needs and demands among these organizations. The FLETC must also be flexible enough to respond to changes resulting from shifting priorities, budget decisions, fluctuations in training demands, and variations in recruitment within the partner organizations.

In order to ensure that the FLETC facilities are state-of-the-art and meet the needs of its customers, the FLETC conducts a Student Quality of Services Survey. This survey assesses the quality of the facilities and services that the FLETC provides the students



attending training, such as classrooms, dormitories, and dining facilities. It assists the FLETC in the continuing review of these facilities and services. In addition to surveying its students, the FLETC continually reviews and revises the Facilities Master Plan to ensure the plan meets and is responsive to training requirements. The review takes into consideration the needs of the customers and the FLETC.

### **FY 2002 Accomplishments and Results**

As part of the Master Plan process, the FLETC continued to construct new facilities at Glynco and Artesia in FY 2002, as well as to renovate and upgrade existing infrastructure.

At Glynco, Georgia, the FLETC entered into ‘build-lease’ arrangement for three hotel-type student housing adjacent to the Center to alleviate the shortage of student lodging accommodations. To meet the increase of students, the FLETC had been housing and transporting the students off-center at area hotels. The FLETC obtained a commitment from a national airline to upgrade its air transportation service to Brunswick, Georgia, which tremendously reduced the travel time and improved the student commute to and from FLETC. At Artesia, New Mexico, the construction of two new indoor/outdoor firearms ranges and a new 286-person dormitory were completed in FY 2002. Also,







numerous expansion and renovation projects were completed to accommodate the increased demand for training.

At Cheltenham, Maryland the \$3.6 million rehabilitation project of the U.S Capitol Police Academy Building was completed with the re-dedication ceremony witnessed by Washington, DC area dignitaries on September 30, 2002. The 30,285 square feet state-of-the-art facility contains five large classrooms, a defensive tactics classroom, seven breakout rooms, a media center, a gymnasium and 23 offices for instructors. Also, ground breaking for a 151,605 square feet indoor firing range was held in July 2002. The Cheltenham training facility is projected to be fully operational in FY 2004.

Finally, the FLETC continues to facilitate the development and implementation of a federal law enforcement training accreditation model. The accreditation process recognizes the value of standardized, consistent, and high quality federal law enforcement training. In March 2002, 53 representatives from 20 different federal law enforcement agencies attended the fifth Task Force conference for the FLETA process. The FLETA will provide assurance to the public that all Federal law enforcement officers and agents are properly and effectively trained.





Following is a report on the performance targets in Treasury's FY 2002 Performance Plan related to this objective:

**Federal Law Enforcement Training Center Performance Goal:**

- Achieve 90% on Student Quality of Services Survey.
- Achieve 70% Rating on Employee Satisfaction Survey

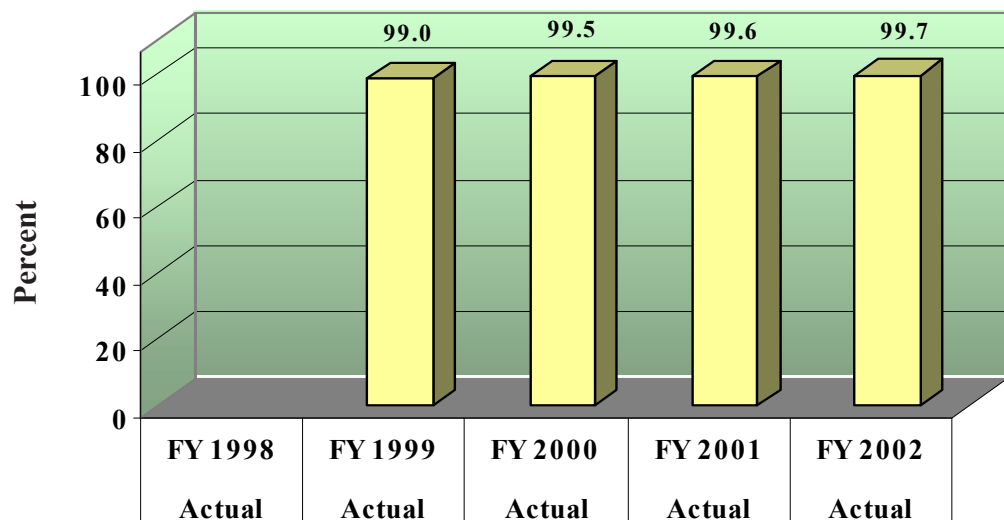
Achieve 90% Rating on Student Quality of Services Survey	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual
	-	99.0%	99.5%	99.6%	99.7%

Explanation of Measure: Students in basic and advanced training programs complete surveys on the quality of administrative support services. The scale of the survey is 0-100%.

*Note: During FY 1998 this was measured on a scale from 1-5 and a weighted mean response was used to measure overall quality. In FY 1998, the actual rating was 4.5.*

Explanation of Shortfall: (If applicable) N/A

**QUALITY OF SERVICE SURVEY**





<b>Achieve 70% on Employee Satisfaction Survey</b>	<b>FY 1998 Actual</b>	<b>FY 1999 Actual</b>	<b>FY 2000 Actual</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Actual</b>
	-	-	-	78.0%	82.0%
Explanation of Measure: The percentage of employees that agree they are satisfied with the overall work environment at the FLETC. The scale of the survey is 0-100%.					
Explanation of Shortfall: (If applicable) N/A					

### Definition of Performance Measures and Validation of Data

- Performance Measure: Achieve 90% Rating on Student Quality of Training Survey

Definition: This measure deals with the quality of law enforcement training. Basic and advanced training program students are surveyed to obtain their views as to the overall quality of training received at the FLETC. The information obtained from this survey assists the FLETC in the continuing review of program curricula. The scale is 0-100% and the FLETC goal is to obtain an overall rating of 90%.

Validation: Students in basic and advanced training programs complete surveys on the quality of training, including instructors, program material, equipment, etc. Individual programs and cumulative reports are generated. From this data, trends can be identified and areas that are consistently rated low can be reviewed and corrective action can be taken.

Data Accuracy: Reasonable.

- Performance Measure: Keep Unit Cost of Basic Student-week of Training to \$927

Definition: This measure deals with the cost per student-week of training. Data is captured through the automated financial system (costs) and the Student Information System (student-weeks trained).

Validation: The cost per week is calculated by taking the actual total net cost of operation divided by the number of student-weeks of training.

Data Accuracy: Reasonable.

- Performance Measure: Achieve 90% Rating on Student Quality of Services Survey

**Definition:** This measure assesses the quality of the administrative and support services that the FLETC provides to the students. The result from this survey assists the FLETC in the continuing review of its administrative and support services. The scale is 0-100% and the FLETC goal is to obtain an overall rating of 90%.

**Validation:** Students in basic and advanced training programs complete surveys on the quality of administrative support services, including cafeteria, dormitory, janitorial, etc. Individual programs and cumulative reports are generated. From this data, trends can be identified and areas that are consistently rated low can be reviewed and corrective actions taken.

**Data Accuracy:** Reasonable.

- **Performance Measure:** Achieve 85% Rating on the Partner Organization Satisfaction Survey

**Definition:** This measure deals with the partner organizations continued satisfaction with the FLETC training curricula that is critical to retaining the consolidated training concept for federal law enforcement. The participating organizations respond to two specific qualitative statements dealing with the extent of partnership between the FLETC and agencies in solving law enforcement training problems.

**Validation:** The partner organizations complete surveys regarding their satisfaction with the FLETC training services. The FLETC also conducts verbal follow-up sessions with partner organizations to confirm and discuss their responses. Other formal and informal input from the partner organizations are used to validate the survey results.

**Data Accuracy:** Reasonable

- **Performance Measure:** Achieve 85% of the Requested Classes Held within 15 Days of the Requested Start Date.

**Definition:** This measure assesses the percentage of classes that have been requested by the agencies that begin within 15 days of the start date requested by the agency. To calculate this percentage, the number of classes beginning within 15 days of the agency requested start date is divided by the total number of classes requested. If the agency requests that the class begin within a window rather than on a specific date, then that class begins on time by definition and is included in the numerator of this percentage. Classes not conducted at a FLETC facility are excluded. It is important that the FLETC management and staff are aware of the level of responsiveness to our customers. The need to reschedule or cancel a training class because it can not be accommodated within a reasonable window (i.e., 15 days) of the requested start date has a domino effect that is potentially detrimental to the requesting agency and to the FLETC. The number of agency students trained may be reduced and the FLETC capacity may be under-utilized. The FLETC attempts to schedule all requested classes in a timely manner.





Validation: The data are captured as part of the FLETC student information system. The FLETC verifies the data through periodic manual reviews.

Data Accuracy: Reasonable

- Performance Measure: Achieve 70% Rating on the Employee Satisfaction Survey (ESS)

Definition: The percentage of employees that agree they are satisfied with the overall work environment at the FLETC. A survey is distributed to all FLETC employees that consists of 21 questions regarding the quality and quantity of services and programs provided by the FLETC to employees. The ESS provides a formal means for FLETC management to gauge the level of satisfaction of its employees with the working environment and identifies opportunities for improvements as well as highlighting successful policies and programs.

Validation: The FLETC staffs complete surveys regarding their employment at the FLETC. The process uses contemporary survey methods similar to those used by the military services and other major training organizations. Results from other formal and informal sources of employee input, such as interviews, employee forums, complaints, comments, etc., are used on an on-going basis to validate the survey results.

Data Accuracy: Reasonable

## **FUTURE EFFECTS ON EXISTING, CURRENTLY KNOWN DEMANDS, RISKS, UNCERTAINTIES, EVENTS, CONDITIONS AND TRENDS**

In the aftermath of the September 11, 2001 terrorist attacks, the FLETC has visibly emerged as a focal point for training over 30 thousand law enforcement officers in FY 2002. Upon graduation, these officers and agents are or will be in the forefront of protecting the United States from similar incidents. The hiring of new law enforcement officers as part of the 77 partner organizations' strategy to deal with the heightened security translated to an unprecedented growth and new challenges for the FLETC. The following chart summarizes the projections for the next two fiscal years:

	FY 2003		FY 2004	
Category	Students	Student-Weeks	Students	Student-Weeks
Basic	32,760	229,985	25,629	168,593
Advanced	16,523	28,870	18,038	29,977
State, Local, Int'l & Export	4,281	4,573	5,102	5,090
Total	53,564	263,428	48,769	203,660

The FLETC has diligently planned and pulled resources together to respond to the additional training requirements. The limiting factors continue to be facility constraints, instructor staffing and funding for the direct costs of the additional training.

The FLETC continues to execute its rigorous construction and renovation program to increase facility capacity. There are over 40 pending construction and renovation projects in progress. The completion of two new firearms ranges, a 286-person dormitory, and the Physical Techniques Building in Artesia, New Mexico helped accommodate additional on-site training. Also, the FLETC has entered into ‘build-lease’ arrangements in an attempt to alleviate the student lodging shortage in Glynco, Georgia. To accommodate the newly-formed TSA, the FLETC is purchasing a 20-acre site next to the Center location in Glynco, Georgia. The site will become the on-site training headquarters for the agency academy at Glynco, Georgia.

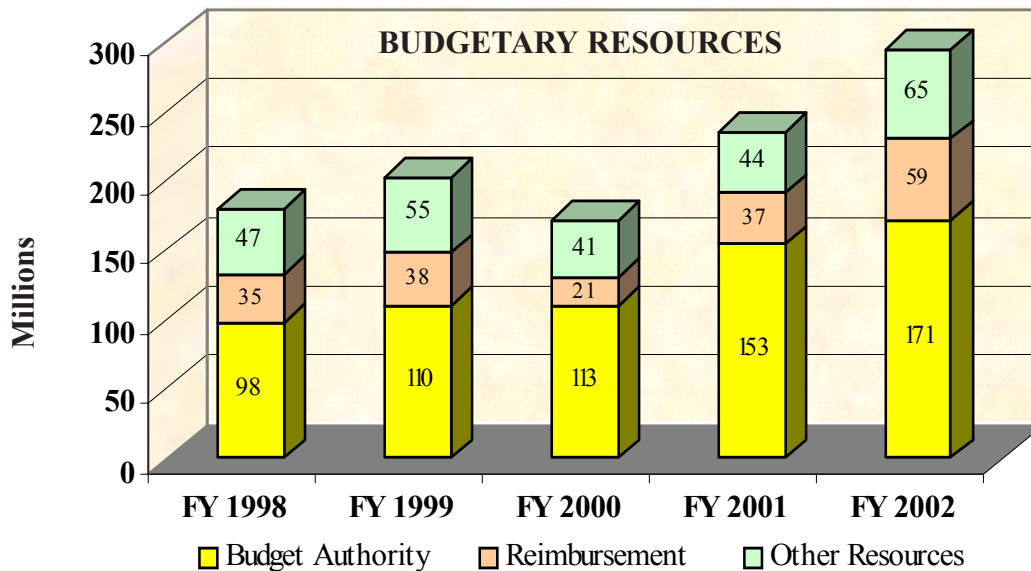
Throughout its history, the FLETC has experienced difficulty recruiting and retaining law enforcement instructors with extensive Federal Criminal Investigator (GS-1811) experience. The FLETC requested for and was granted temporary authority from the Department of the Treasury and the Office of Personnel Management to utilize the Waiver of Dual Compensation Reduction to hire retired experienced Federal Criminal Investigators to augment the existing staff. This temporary authority allowed the FLETC to re-employ instructors for a period of one year. Through legislative language included in the FY 2002 emergency appropriations bill that was enacted in August 2002, the FLETC was granted a salary offset waiver authority for up to 250 rehired annuitants for a five-year appointing period. The enactment of this language will greatly improve the FLETC’s hiring flexibility and significantly enhance the Center’s ability to meet most emergency training demands from the partner organizations.

Based upon our best assessment of the training needs that are being communicated by partner organizations, the FLETC has requested additional funding for the direct cost of the basic training and expanded authority to commensurately increase the number of approved full-time equivalent positions to accommodate the additional training. The FLETC expects that funding for the direct cost of basic training required in the future by the partner organizations will continue to be appropriated even with the realignment of the FLETC to the Department of Homeland Security. The FLETC will continue to rely on the commitment, versatility and professionalism of the FLETC staff who stay focused on the FLETC mission of providing world-class training to law enforcement officers.

## **FINANCIAL RESOURCES AND THEIR USES**

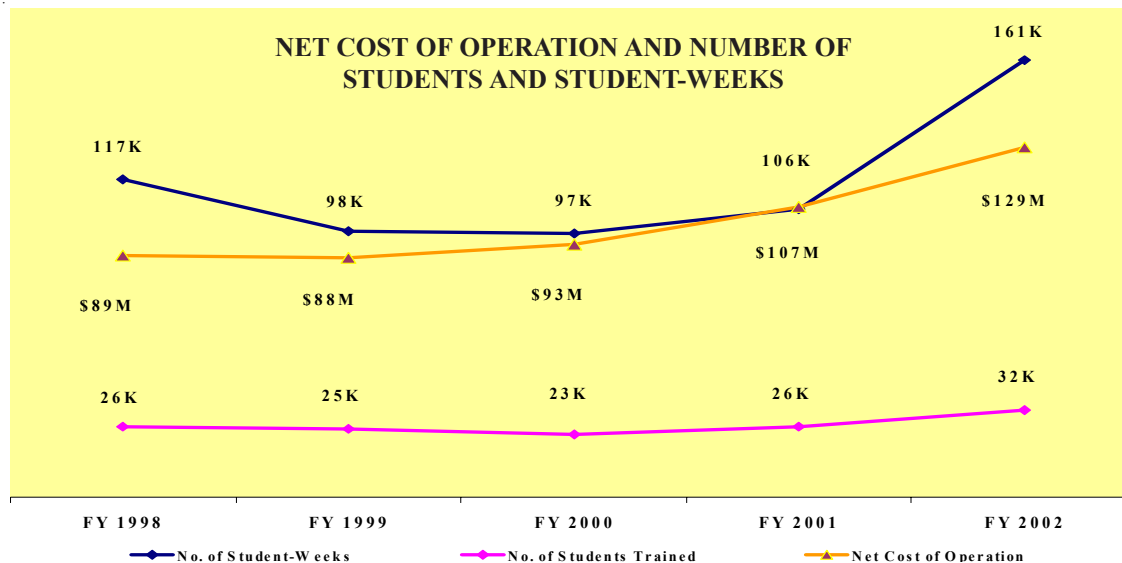
### **Budgetary Resources**

The FLETC’s budgetary resources continue to grow. Budgetary resources consist of the budget authority or annual appropriation, reimbursement for training services, and other



resources comprised of mostly carryover funds for multi-year and no-year appropriations. The 26 percent or \$60 million increase in FY 2002 budgetary resources is attributed to the additional appropriation and proportionate increase in earned reimbursement for training from partner organizations.

### Net Cost of Operations



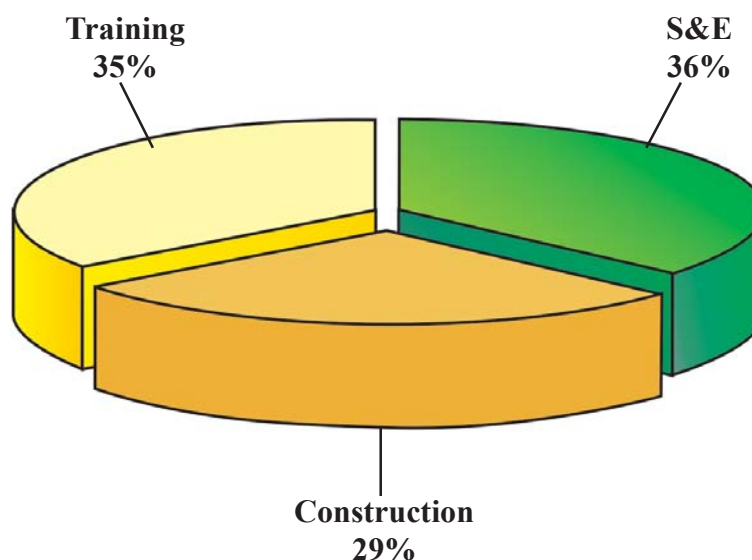
The FY 2002 net cost of operation increased by 22 percent or \$22 million from last fiscal year. The FLETC experienced the biggest increase in student load since its inception. The number of students trained and number of student-weeks increased by 25% or six thousand students and 52% or 55 thousand student-weeks, respectively, from FY 2001. The average length of training per student was five weeks at an average cost of \$4 thousand per student.



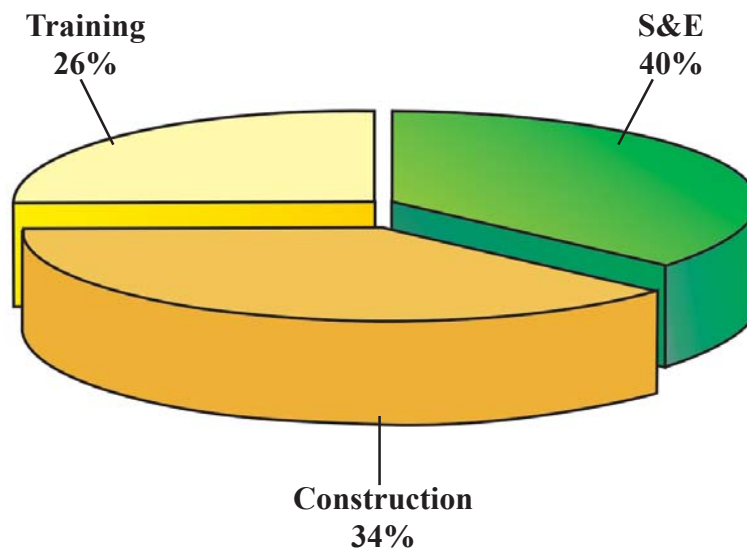
### Category of Funds

Of the \$295 million total budgetary resources in FY 2002, 36 percent or \$106 million was earmarked for salaries and expenses; 29 percent or \$86 million for construction and renovation; 35 percent or \$103 million for training.

#### FY 2002 TOTAL \$294.7 MILLION



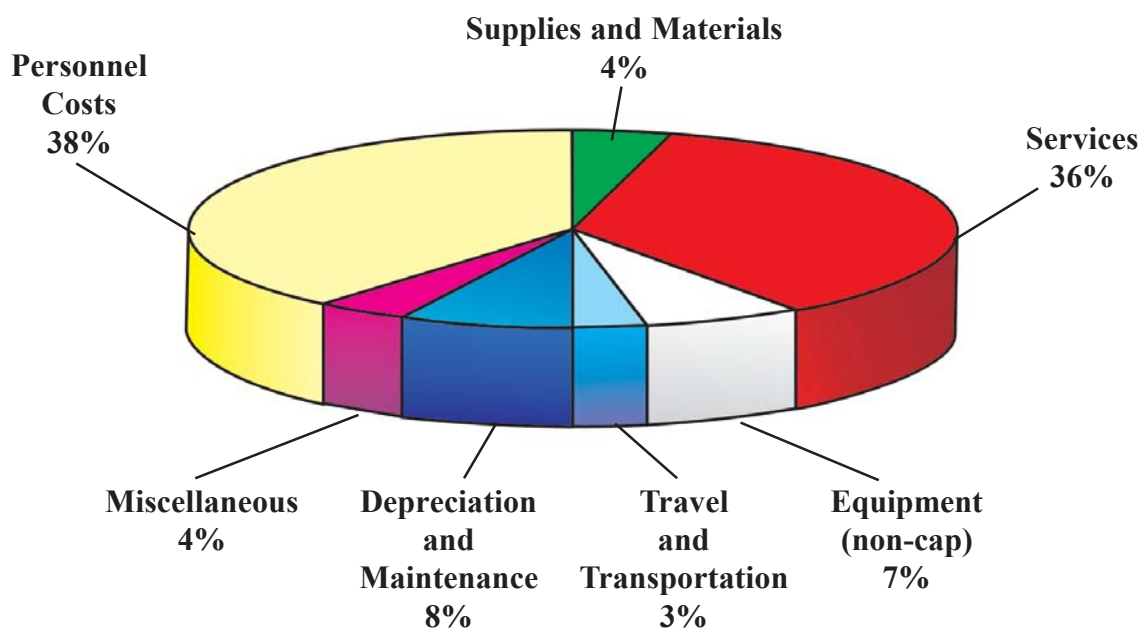
#### FY 2001 TOTAL \$237 MILLION



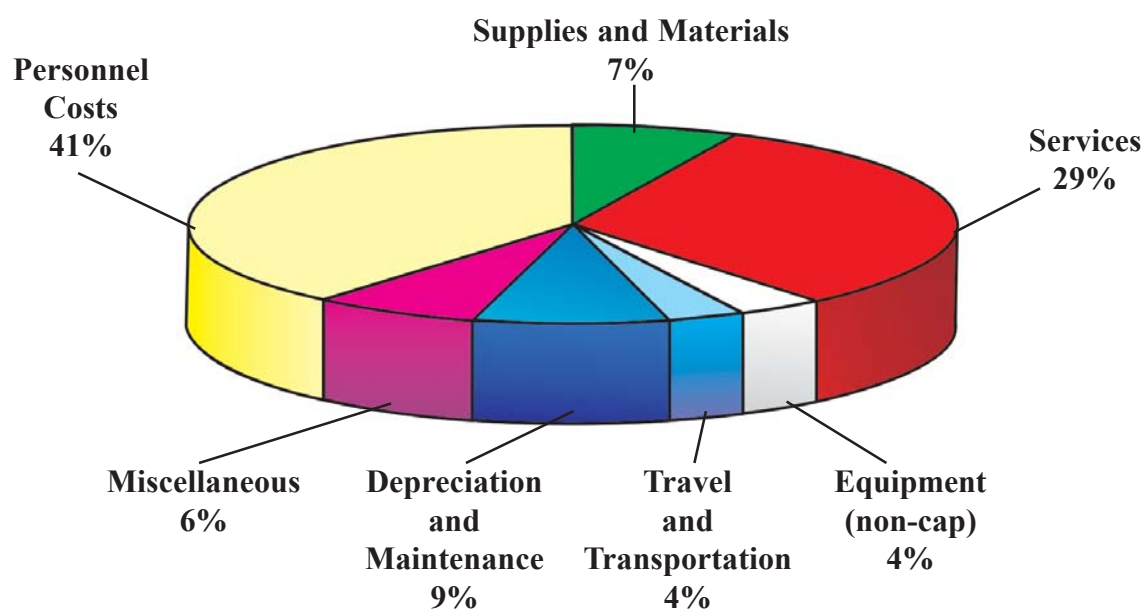
## Program Expenses

Of the \$184 million gross program expenses in FY 2002, 38 percent or \$71 million was spent on personnel compensation and benefits, an increase of 29 percent from last year primarily for additional law enforcement instructors. Also, 36 percent or \$67 million was spent on services to support the additional training during FY 2002, an increase of 63 percent from the previous year.

### FY 2002 PROGRAM EXPENSES



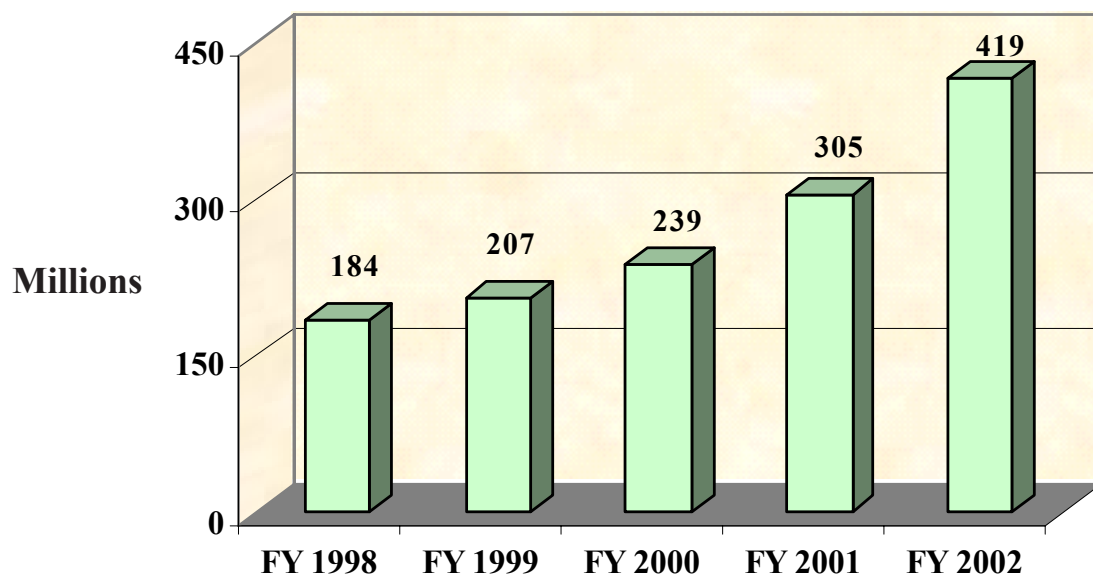
### FY 2001 PROGRAM EXPENSES



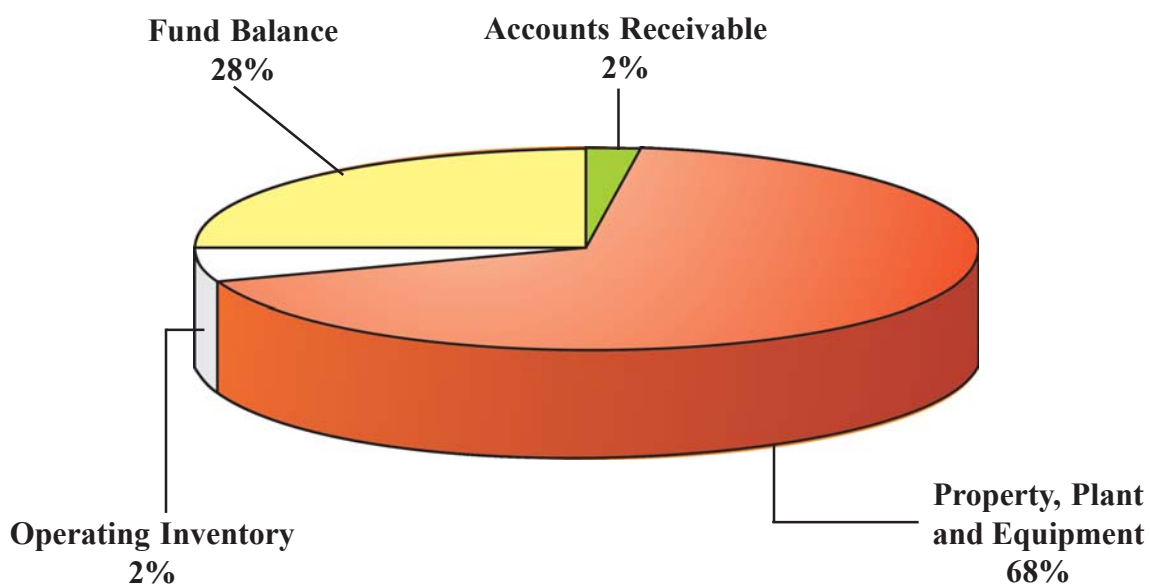
## Assets

As of September 30, 2002, the value of the FLETC's total assets is \$419 million, an increase of 37 percent or \$114 million from FY 2001, attributed to the increase in the property, plant and equipment.

**TOTAL ASSETS**



**TOTAL ASSETS**

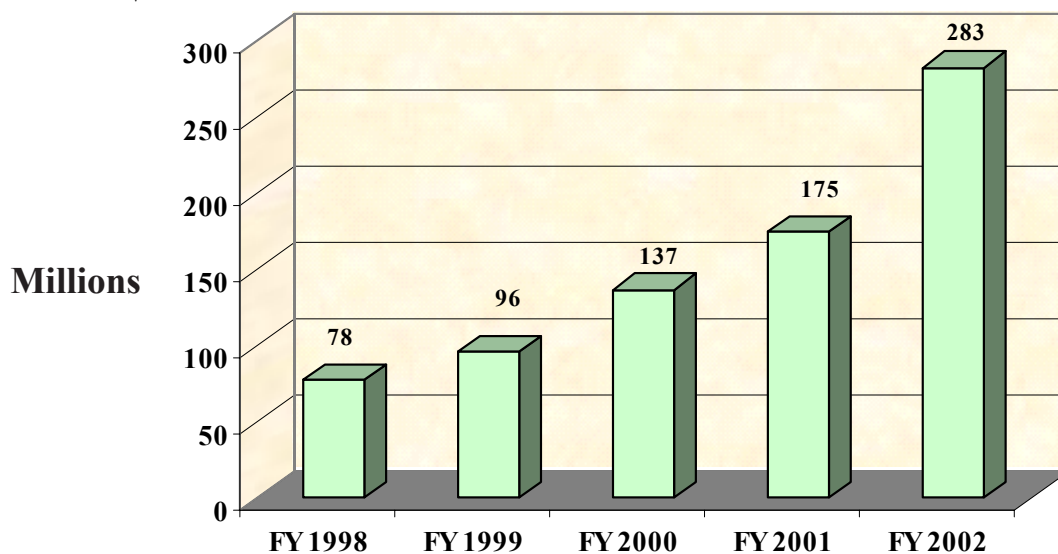




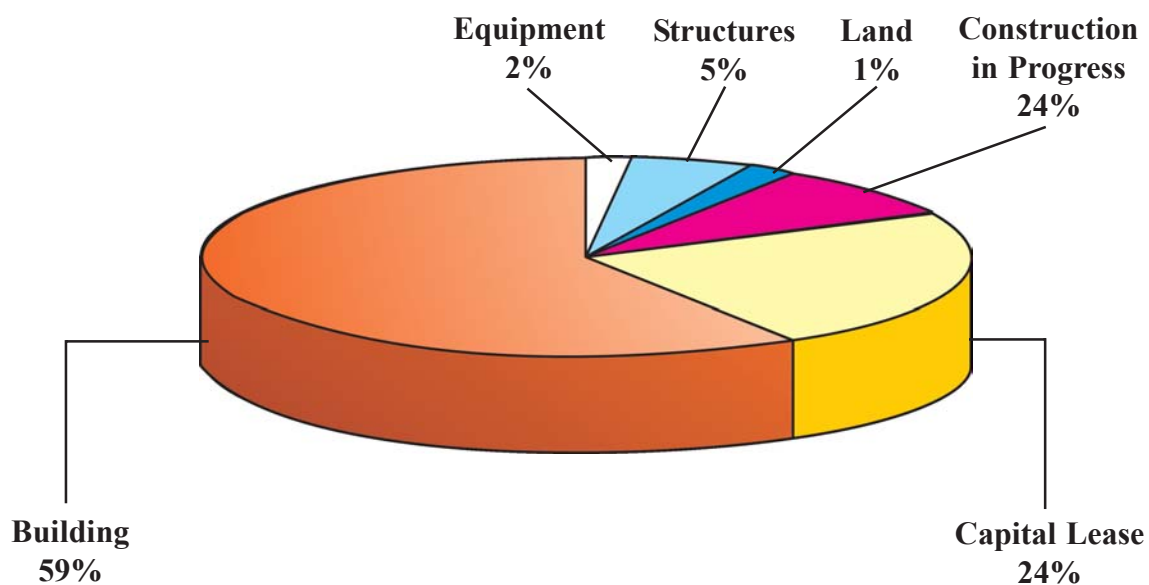
## Property, Plant, and Equipment

The value of the FLETC's property, plant and equipment (PP&E) is \$283 million as of September 30, 2002, an increase of 62 percent or \$108 million from FY 2001. The completion of new buildings and facility renovation and valuation of capital leases comprise the increase in the PP&E account.

### PROPERTY, PLANT AND EQUIPMENT



### PROPERTY, PLANT AND EQUIPMENT



## KEY FINANCIAL INDICATORS

### Exchange Revenue

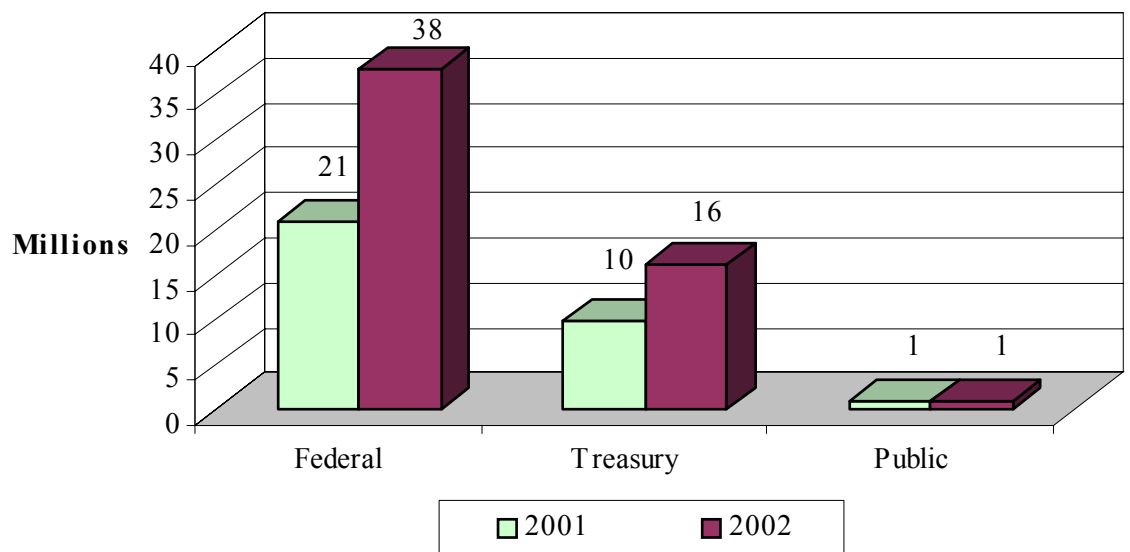
Pursuant to the OMB/Treasury/FLETC funding policy that was approved in FY 1987, the FLETC finances the direct cost of basic training while the partner organizations pay for the cost of travel, en route per diem and reimburse the FLETC for actual costs of meals and lodging. The direct cost of basic training includes items such as the following:

- utilities/janitorial services for classrooms
- printed materials
- role players
- support contracts
- ammunition
- materials and supplies

In addition to the travel, meal and lodging costs, the partner organizations reimburse the FLETC for any variable costs incurred in the advanced training courses. State and local agencies normally pay for the actual costs of training.

For FY 2002, the total exchange revenue amounted to \$55 million of which \$54 million and \$1 million were derived from Federal, State and local agencies, respectively.

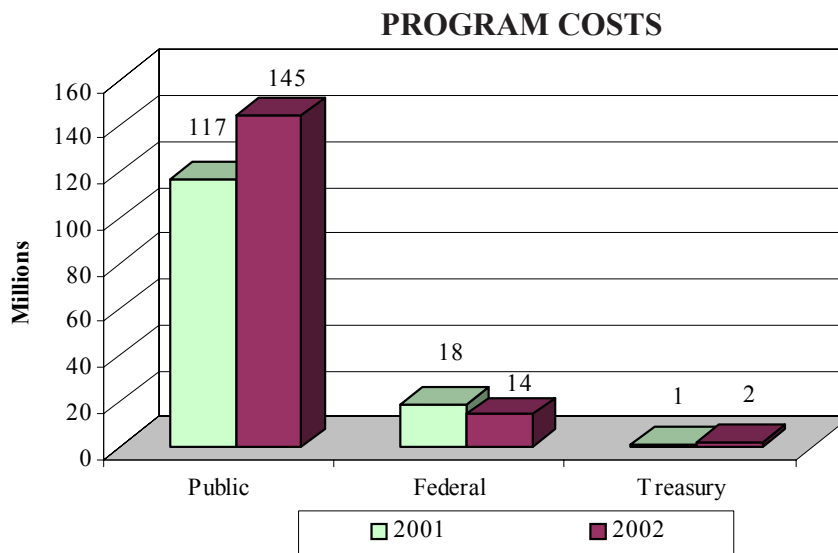
### EXCHANGE REVENUE





## Sources of Program Costs

In carrying out its mission of providing world-class law enforcement training programs, the FLETC incurred costs for materials and services that were available commercially or from other Federal agencies. In FY 2002, the program costs totaled \$161 million, of which \$145 million or 90% and \$16 million or 10% were procured from public entities and Federal agencies, respectively.



## FINANCIAL PERFORMANCE GOALS

The FLETC proactively updates its financial management vision and goals. It established financial performance measures designed to assess progress in accompanying its management objectives.

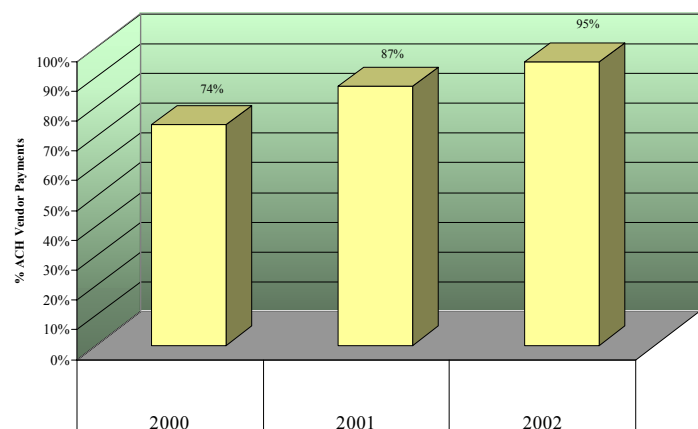
**Goal:** Earn an unqualified opinion on FLETC Financial Statements

**Measured Results:** The FLETC earned an unqualified opinion on its FY 2002 Financial Statements. By receiving its third consecutive unqualified opinion, the FLETC clearly demonstrated the financial integrity and prudent stewardship of taxpayers' money.

**Goal:** Increase number of Automated Clearing House (ACH) Vendor Payments

**Measured Results:** ACH vendor payments have increased by 8% in FY 2002. ACH is an expeditious, cost-effective payment method that enhances accuracy and customer service to vendors.

## ACH VENDOR PAYMENTS







DEPARTMENT OF THE TREASURY  
FEDERAL LAW ENFORCEMENT  
TRAINING CENTER



FEDERAL MANAGERS'  
FINANCIAL INTEGRITY ACT  
FISCAL YEAR 2002

**Federal Managers' Financial Integrity Act (FMFIA) Summary**

FLETC management controls are established in accordance with standards required by Section 2 of the Federal Managers' Financial Integrity Act (FMFIA) and provide reasonable assurance that: (1) Our programs are achieving their intended results; (2) resources are used in a manner that is consistent with our mission; (3) assets are protected from fraud, abuse, waste, and mismanagement; (4) laws and regulations are followed; (5) continuity of operations planning in critical areas is sufficient to reduce risk to reasonable levels; (6) controls are sufficient to minimize any improper or erroneous payments; and (7) performance information is reliable. There is reasonable assurance that FLETC accounting and financial systems conform with Government wide financial information standards as well as financial system functional standards for FY 2002 in accordance with section 4 of FMFIA. In regards to the Federal Financial Management Improvement Act (FFMIA) of 1996, the auditor reported that the FLETC did not comply with two Federal financial management requirements and accounting standards. Specifically, the FLETC has not performed risk assessments of its financial management system as required by GISRA and OMB Circular A-127. Also, the FLETC did not perform adequate capital planning as required by OMB Circular A-11 prior to

consummating three 20-year non-cancelable leases for the construction and operation of dormitories. The FLETC disagrees with the auditor's conclusion that capital planning was insufficient. The matter is under review by OMB.

**ANNUAL ASSURANCE  
STATEMENT FOR FY 2002**

Based upon the results of its annual assessment process the Federal Law Enforcement Training Center (FLETC) can provide reasonable assurance that its systems of management and administrative control, taken as a whole, achieve the objectives of Section 2 of the Federal Managers' Financial Integrity Act (FMFIA). The FLETC can provide reasonable assurance that its accounting and financial systems generally conform with the Comptroller Generals' principles, standards and related requirements and achieve the objectives of Section 4 of the FMFIA.



Connie L. Patrick  
Director  
Federal Law Enforcement Training Center

**Section I: Open Material Weaknesses as of 9/30/02 - None Reported**

**Section II: The List of Material Weaknesses Closed During FY 2002**

FMFIA Section (2,4A or 4F)	Bureau and Control Number	Title of Material Weakness:	Description of Material Weakness:	Validation Process Used / Results Achieved	Date Closed
2	ID Number FLE 911 (#2)	Environmental Problem	An environmental problem exists at the FLETC Glynco, Georgia outdoor firearms ranges	The Department of the Treasury's OIG and the CFO have tentatively approved the Center decision to reclassify the material weakness to a second-tier issue based on a documentation package provided by the FLETC. The package contained a written reassessment by the FLETC management and concurrence by the State of Georgia's Environmental Protection Division	9/30/02





### Section III: Open Reportable Conditions Second Tiers as of 9/30/02 - None Reported

Source:	Title of Reportable Conditions / Second Tier Issues:	Description of Reportable Conditions / Second Tier Issues:	General Actions Being Taken:	Remarks:
Risk Assessment of the Environmental Program at the FLETC	Environmental Problems	An environmental problem exists at the four FLETC Glynco, Georgia outdoor firearms dirt berm ranges	Complete the environmental restoration of the area and reconstruction of the outdoor firearms dirt berm ranges.	Condition was reported as a material weakness through Fiscal Year 2001.
Inspection of the ISD by the FLETC's Inspection Division, NSA's Information Systems Security Assessment Report, and a risk assessment conducted under the FMFIA.	Shortcomings in the operations of FLETC's Information Technology Program, particularly in the area of security over IT systems and programs.	The FLETC Information Technology Program (system, equipment, staffing) is outmoded and increasingly inadequate to meet the needs of a rapidly evolving residential - style law enforcement training facility, especially in the area of systems security. Further, the FLETC IT security program is not in compliance with various laws, regulations, standards, and other IT security enhancements.	The FLETC is actively pursuing a far reaching IT modernization program. The FLETC is also currently involved in recruiting an IT Security Program, updating technologies, and implementing new technologies and capabilities that will enhance IT security.	



DEPARTMENT OF THE TREASURY  
FEDERAL LAW ENFORCEMENT  
TRAINING CENTER



AUDITOR'S REPORT  
FISCAL YEARS  
2002 AND 2001



**Carmichael  
Brasher Tuvell  
& Company**  
678-443-9200  
Facsimile: 678-443-9001  
www.cbtcpa.com

**Certified Public Accountants**

**REPORT OF INDEPENDENT AUDITORS**

To: Connie Patrick  
Director of the Federal Law Enforcement Training Center

We have audited the accompanying balance sheets of the Federal Law Enforcement Training Center (FLETC) as of September 30, 2002 and 2001, and the related statements of net cost, changes in net position, budgetary resources, financing and custodial activity for the years then ended. These financial statements are the responsibility of FLETC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, as amended, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements appearing on pages 65 through 85 of this report present fairly, in all material respects, the financial position of FLETC as of September 30, 2002 and 2001, and its net costs of operation, changes in net position, budgetary resources, financing and custodial activity for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of expressing an opinion on the financial statements referred to in the first paragraph. The information in the Management's Discussion and Analysis (MD&A) is not a required part of FLETC's financial statements, but is considered supplementary information required by OMB Bulletin No. 01-09, *Form and Content of Agency Financial Statements*. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we express no opinion on it.

October 24, 2002  
Atlanta, Georgia



**Carmichael  
Brasher Tuvell  
& Company**

**Certified Public Accountants**

---

**678-443-9200**

**Facsimile: 678-443-9001**

**www.cbtcpa.com**

**AUDITORS' REPORT ON INTERNAL CONTROL**

To: Connie Patrick  
Director of the Federal Law Enforcement Training Center

We audited the financial statements of the Federal Law Enforcement Training Center (FLETC) as of and for the years ended September 30, 2002 and 2001, and have issued our report thereon dated October 24, 2002. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, as amended, issued by the Comptroller General of the United States, and OMB Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*.

In planning and performing our audits of FLETC, we considered its internal control over financial reporting by obtaining an understanding of FLETC's internal control, determined whether internal controls had been placed in operation, assessed control risk, and performed tests of controls in order to determine our auditing procedures for the purposes of expressing an opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 01-02. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982, such as those controls relevant to ensuring efficient operations. The objective of our audits was not to provide an opinion on internal control. Consequently, we do not provide assurance on internal control.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the agency's ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of inherent limitations in internal controls, misstatements, losses or noncompliance may nevertheless occur and not be detected. However, we noted certain matters as discussed below involving the internal control and its operation that we consider to be reportable conditions.

Finally, with respect to internal control over performance measures reported in the "Management Discussion and Analysis" section on pages 32 through 43, we obtained an understanding of the design of significant internal controls relating to the existence and completeness assertions, as required by OMB Bulletin No. 01-02. Our procedures were not designed to provide assurance on internal control over reported performance measures, and, accordingly, we do not provide an opinion on such controls.

The following matters, noted during our audit, are considered reportable conditions.

#### **Formalized Policies and Procedures Needed in Key Areas**

FLETC lacks formalized policies and procedures in two key areas. First, formalized policies and procedures are not in place that require the procurement department to verify budget authority prior to obligating funds. Second, formalized policies and procedures are not in place that require that class costs be determined consistently.

The normal flow of transactions is the identification of a purchasing need by individuals within the agency, the reporting of this need to budget, where budget authority is verified before the purchasing need is transferred to the purchasing department. During fiscal year 2001 and 2002, the procurement department procured three leases for dormitory buildings. The procurements were made without adequate consideration as to the treatment of the transactions and the available budget authority.

As reported in the prior year's management letter, FLETC lacked a method for consistently determining class costs. Different divisions are responsible for maintaining and reporting their class costs to the Budget division. Some divisions update their costs yearly while other divisions update their costs every three years. Some divisions utilize a per student cost based on a standard number of students while other divisions attempt to use an actual count of students. Some divisions include items in their costs while other divisions exclude these same items. This inconsistency in reporting creates the possibility that FLETC is not seeking reimbursement through the billing process for costs not otherwise covered by appropriation.

#### **Recommendation**

We recommend that FLETC establish and implement entity-wide policies and procedures requiring budget approval prior to making procurements and the consistent collection and reporting of class costs.

#### **Risk Assessments have not been Performed on Key Systems**

FLETC has not complied with OMB Circular A-127 or GISRA with regard to the risk assessment of FLETC's major systems. The assessment of risk is necessary to identify





risks within the agency's systems and to take steps to mitigate the risks. For example, within the *Momentum* financial system, the risks associated with "Superusers," changes to the vendor table, and the roles and permissions of users have not been formally documented and evaluated for their potential effect on the security surrounding financial reporting.

Written documentation ensures the continuity and consistency of these important control functions by assigning responsibility, defining the methodology of the control and establishing the scope and frequency under which the control is performed.

### **Recommendation**

We recommend that FLETC perform risk assessments of its major systems and otherwise comply with the provisions of OMB Circular A-127 and GISRA.

### **Timely Recording of Capitalized Real Property**

As reported in the prior year's management letter, FLETC lacked a method for consistently recording construction in progress. As such, the fiscal division could not verify that the proper amounts had been capitalized. FLETC implemented a fixed asset module within *Momentum* during the 2002 fiscal year; however, significant year-end adjustments were still necessary to properly record construction in progress. The effectiveness of the *Momentum* fixed asset module will be evaluated during the next fiscal year's audit.

### **Recommendation**

We recommend that the Finance division verify with the Property and Facilities divisions, as well as the offices in Artesia and Cheltenham, that all fixed assets, including construction in progress, have been properly recorded in the financial statements.

We also noted certain other matters involving internal control that we have reported to the management of FLETC in a separate letter.

This report is intended solely for the information and use of the management of FLETC, the United States Department of Treasury, OMB and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

*Carmichael, Brasher, Swell & Company*

October 24, 2002  
Atlanta, Georgia

**Carmichael  
Brasher Tuvell  
& Company**

**Certified Public Accountants**

**678-443-9200**

**Facsimile: 678-443-9001**

**www.cbtcpa.com**

**AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS**

To: Connie Patrick

Director of the Federal Law Enforcement Training Center

We audited the financial statements of the Federal Law Enforcement Training Center (FLETC) as of and for the years ended September 30, 2002 and 2001, and have issued our report thereon dated October 24, 2002. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, as amended, issued by the Comptroller General of the United States, and OMB Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*.

The management of FLETC is responsible for complying with laws and regulations applicable to the agency. As part of obtaining reasonable assurance about whether FLETC's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations specified in OMB Bulletin No. 01-02, including the requirements referred to in the Federal Financial Management Improvement Act (FFMIA) of 1996. We limited our tests of compliance to these provisions and we did not test compliance with all laws and regulations applicable to FLETC.

The results of our tests of compliance disclosed no instances of noncompliance with other laws and regulations discussed in the preceding paragraph exclusive of FFMIA that are required to be reported under *Government Auditing Standards* and OMB Bulletin No. 01-02.

Under FFMIA, we are required to report whether FLETC's financial management systems substantially comply with the Federal financial management systems requirements, applicable Federal accounting standards, and the United States Standard General Ledger at the transaction level. To meet this requirement, we performed tests of compliance with FFMIA section 803(a) requirements.

The results of our tests disclosed instances, described below, where FLETC's financial management systems did not substantially comply with Federal financial management systems requirements and Federal accounting standards. The results of our tests disclosed no instances in which the agency's financial management systems did not substantially comply with the United States Standard General Ledger at the transaction level.

---

**1647 Mount Vernon Road, Dunwoody Exchange, Atlanta, Georgia 30338**



### *Federal Financial Management System Requirements*

FLETC has not performed risk assessments of its financial management systems as required by the Government Information Security Reform Act (GISRA) and OMB Circular A-127. GISRA requires each agency to develop and implement an entity-wide risk-based security program for its information systems which ensures the integrity and security of information inputs and outputs from computerized systems. Compliance with GISRA and OMB Circular A-127 is required for compliance with FFMIA.

#### **Recommendation**

We recommend that FLETC perform risk assessments of its major systems and otherwise comply with the provisions of OMB Circular A-127 and GISRA.

### *Federal Accounting Standards*

FLETC entered into 20-year non-cancellable leases for the construction and operation of dormitories. Management has capitalized the minimum lease obligation in anticipation of an OMB determination as to how the leases will be scored. FLETC did not perform adequate capital planning as required by OMB Circular A-11. This Circular requires that capital projects be fully funded at their inception and that risks should be carefully analyzed and managed.

#### **Recommendation**

We recommend that future capital projects be planned and evaluated so that proper funding can be secured and risks can be managed and reported in accordance with provisions of OMB Circular A-11.

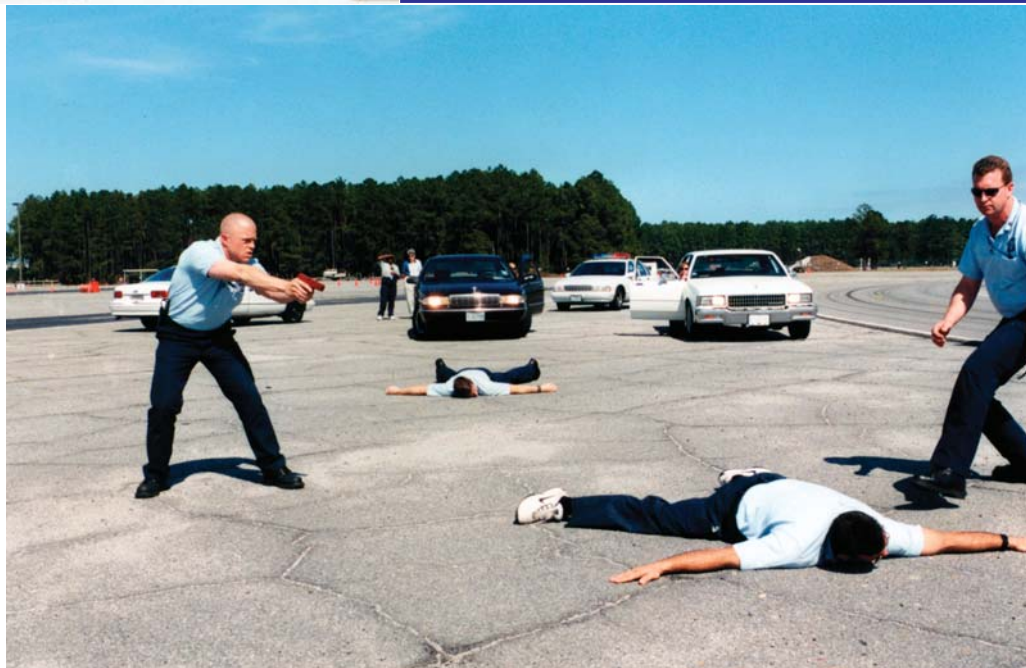
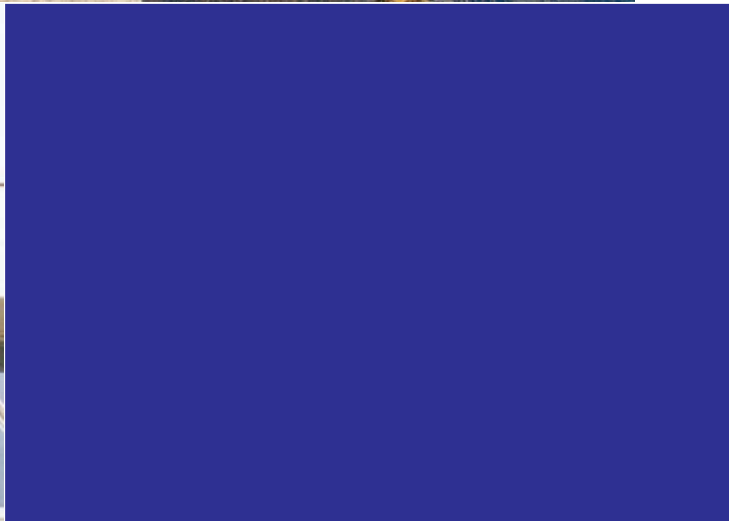
Providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

This report is intended solely for the information and use of the management of FLETC, the United States Department of Treasury, OMB and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

*Carmichael, Brasher, Swell & Company*

October 24, 2002  
Atlanta, Georgia





DEPARTMENT OF THE TREASURY  
FEDERAL LAW ENFORCEMENT  
TRAINING CENTER



FINANCIAL STATEMENTS FISCAL  
YEARS  
2002 AND 2001

Department of the Treasury  
**FEDERAL LAW ENFORCEMENT TRAINING CENTER**  
**BALANCE SHEETS**  
For the Years Ended September 30, 2002 and September 30, 2001  
(Dollars in Thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS:</b>		
Intragovernmental Assets:		
Fund Balance (Note 2)	\$ 118,508	\$ 115,786
Accounts Receivable - Federal Agencies (Note 3)	8,034	6,530
Advances to Federal Agencies (Note 4)	2,085	1,956
Total Intragovernmental Assets	<u>\$ 128,627</u>	<u>\$ 124,272</u>
Accounts Receivable - State, Local & Others (Note 3)	685	722
Inventory and Related Property, Net (Note 5)	6,657	4,525
Property, Plant and Equipment, Net (Note 6)	282,561	175,570
Prepayment & Other Assets	<u>0</u>	<u>0</u>
<b>Total Assets</b>	<b><u>\$ 418,530</u></b>	<b><u>\$ 305,089</u></b>
<b>LIABILITIES:</b>		
Intragovernmental Liabilities:		
Personnel Liabilities-FECA Liability to be paid to DOL (Note 7)	\$ 1,312	\$ 1,276
Employer Contribution & Payroll Taxes	-	-
Total Intragovernmental Liabilities	<u>\$ 1,312</u>	<u>\$ 1,276</u>
Other Liabilities:		
Accrued Payroll and Benefits (Note 7)	\$ 2,066	\$ 3,409
Accounts Payable	1,862	3,466
Actuarial FECA Liability (Note 7)	8,130	7,444
Contingencies (Note 8)	68,196	1,048
Unfunded Annual Leave	4,270	3,481
Other Liabilities	939	632
Total Other Liabilities	<u>\$ 85,463</u>	<u>\$ 19,480</u>
<b>Total Liabilities</b>	<b><u>\$ 86,775</u></b>	<b><u>\$ 20,756</u></b>
<b>Net position: (Note 9)</b>		
Cumulative Results of Operations	210,940	168,972
Unexpended Appropriations	120,815	115,361
Total Net Position	<u>\$ 331,755</u>	<u>\$ 284,333</u>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 418,530</u></b>	<b><u>\$ 305,089</u></b>

The accompanying notes to the Financial Statements are an integral part of these statements.





Department of the Treasury  
**FEDERAL LAW ENFORCEMENT TRAINING CENTER**  
**STATEMENTS OF NET COST**  
For the Years Ended September 30, 2002 and September 30, 2001  
(Dollars in Thousands)

	<u>2002</u>	<u>2001</u>
<b>COSTS:</b>		
<b>Law Enforcement Program: Safeguard Our</b>		
Financial Systems, Protect Our Nation's		
Leaders, and Secure a Safe and Drug-Free		
America		
<b>Intragovernmental Costs</b>		
Plant Operations and Training	\$ 22,994	\$ 21,572
Less Earned Revenues	<u>(54,706)</u>	<u>(30,576)</u>
Intragovernmental Net Cost	\$ (31,712)	\$ (9,004)
<b>With the Public Cost</b>		
Plant Operations and Training	\$ 161,714	\$ 116,950
Less Earned Revenue	<u>(959)</u>	<u>(971)</u>
With the Public Net Cost	\$ 160,755	\$ 115,979
Total Law Enforcement Program Net Cost	<u>\$ 129,043</u>	<u>\$ 106,975</u>
 <b>NET COST OF TREASURY OPERATIONS</b>	 <u><u>\$ 129,043</u></u>	 <u><u>\$ 106,975</u></u>
 <b>NET COST OF OPERATIONS (Note 10)</b>	 <u><u>\$ 129,043</u></u>	 <u><u>\$ 106,975</u></u>

The accompanying notes to the Financial Statements are an integral part of these statements.

Department of the Treasury  
**FEDERAL LAW ENFORCEMENT TRAINING CENTER**  
**STATEMENTS OF CHANGES IN NET POSITION**  
For the Years Ended September 30, 2002 and September 30, 2001  
(Dollars in Thousands)

	<u>2002</u>	<u>2001</u>
<b><u>RESULTS OF OPERATION</u></b>		
Beginning Balances - 10/1/2001	\$ 168,972	\$ 129,193
Prior Period Adjustments (Note 11)	(174)	2,288
Beginning Balances, as Adjusted	<u>168,798</u>	<u>131,481</u>
Budgetary Financing Sources:		
Other Adjustments	0	2,672
Appropriations Used	164,322	127,974
Donations	1	122
Other Financing Sources:		
Transfers In/Out Without Reimbursement	2,930	8,460
Imputed Financing Sources	<u>3,932</u>	<u>5,239</u>
Total Financing Sources	<u>\$ 171,185</u>	<u>\$ 144,467</u>
Net Cost of Operations	<u>(129,043)</u>	<u>(106,976)</u>
<b>NET POSITION FROM OPERATIONS</b>	<b><u>\$ 210,940</u></b>	<b><u>\$ 168,972</u></b>
<b><u>UNEXPENDED APPROPRIATION</u></b>		
Beginning Balances - 10/1/2001	\$ 115,361	\$ 90,844
Prior Period Adjustments	(8)	8,816
Beginning Balances, as Adjusted	<u>115,353</u>	<u>99,660</u>
Budgetary Financing Sources:		
Appropriations Received	173,789	154,007
Other Adjustments	(3,841)	(10,332)
Appropriations Used	<u>(164,486)</u>	<u>(127,974)</u>
Subtotal - Total Financing Sources	<u>\$ 5,462</u>	<u>\$ 15,701</u>
<b>NET POSITION OF UNEXPENDED APPROPRIATIONS</b>	<b><u>\$ 120,815</u></b>	<b><u>\$ 115,361</u></b>
<b>TOTAL NET POSITION</b>	<b><u>\$ 331,755</u></b>	<b><u>\$ 284,333</u></b>

The accompanying notes to the Financial Statements are an integral part of these statements.



Department of the Treasury  
**FEDERAL LAW ENFORCEMENT TRAINING CENTER**  
**STATEMENTS OF BUDGETARY RESOURCES**  
**For the Years Ended September 30, 2002 and September 30, 2001**  
(Dollars in Thousands)

	<u>2002</u>	<u>2001</u>
<b>BUDGETARY RESOURCES</b> (Note 12)		
Budget Authority:		
Appropriations Received	\$ 171,287	\$ 154,011
Contract Authority	0	(4)
Unobligated Balance		
Beginning of Period	51,068	25,271
Spending Authority from Offsetting Collections Earned		
Collected	57,004	33,445
Received from Federal Sources	1,425	1,880
Change in Unfilled Customer Orders		
Advance Received	77	6
Without Advance from Federal Sources	371	1,694
Subtotal	58,877	37,025
Recoveries of Prior Year Obligations	15,340	20,677
Permanently Not Available	(1,836)	(1,710)
<b>TOTAL BUDGETARY RESOURCES</b>	<u><u>\$ 294,736</u></u>	<u><u>\$ 235,270</u></u>
<b>STATUS OF BUDGETARY RESOURCES</b>		
Obligations Incurred		
Direct	\$ 171,814	\$ 145,085
Reimbursable	64,530	39,117
Subtotal	236,344	184,202
Unobligated Balance		
Apportioned	52,715	46,802
Unobligated Balance Not Available	5,677	4,266
<b>TOTAL STATUS OF BUDGETARY RESOURCES</b>	<u><u>\$ 294,736</u></u>	<u><u>\$ 235,270</u></u>
<b>RELATIONSHIP OF OBLIGATIONS TO OUTLAYS</b>		
Obligated Balance, Net, Beginning of Period	\$ 64,591	\$ 65,285
Obligated Balance, Net, End of Period		
Accounts Receivable	(8,024)	(6,599)
Unfilled Customer Orders from Federal Sources	(7,042)	(6,671)
Undelivered Orders	70,411	70,468
Accounts Payable	4,623	7,394
Outlays		
Disbursements	223,832	160,645
Collections	(57,081)	(33,451)
Subtotal	166,751	127,194
Less: Offsetting Receipts	(40)	(14)
<b>NET OUTLAYS</b>	<u><u>\$ 166,711</u></u>	<u><u>\$ 127,180</u></u>

The accompanying notes to the Financial Statements are an integral part of these statements.



Department of Treasury  
**FEDERAL LAW ENFORCEMENT TRAINING CENTER**  
**STATEMENT OF FINANCING**

For the Years Ended September 30, 2002 and September 30, 2001  
(Dollars in Thousands)

	<u>2002</u>	<u>2001</u>
<b>Budgetary Resources Obligated</b>		
Obligations Incurred	\$ 236,344	\$ 184,201
Less: Spending Authority from Offsetting Collections and Recoveries	74,217	57,702
Obligations Net of Offsetting Collections and Recoveries	<u>162,127</u>	<u>126,499</u>
Less: Offsetting Receipts	40	14
Net Obligations	<u>\$ 162,087</u>	<u>\$ 126,485</u>
<b>Other Resources</b>		
Transfers In/out Without Reimbursement	\$ 2,930	\$ 8,460
Imputed Financing from Costs Absorbed by Others	3,932	5,239
Other	-	(2,082)
Net Other Resources Used to Finance Activities	<u>6,862</u>	<u>11,617</u>
Total Resources Used to Finance Activities	<u>\$ 168,949</u>	<u>\$ 138,102</u>
<b>Resources Used to Finance Items Not Part of the Net Cost of Operations</b>		
Change in Budgetary Resources Obligated for Goods, Services and Benefits Ordered but not yet Provided	\$ 276	\$ 156
Resources that Fund Expenses Recognized in Prior Periods	1,583	888
Other	(40)	(14)
Resources that Finance the Acquisition of Assets or Liquidation of Liabilities	112,905	39,978
Other Resources or Adjustments to Net Obligated Resources that do not Affect Net Cost of Operations	174	
Total Resources Used to Finance Items Not Part of the Net Cost of Operations	<u>114,898</u>	<u>41,008</u>
Total Resources Used to Finance the Net Cost of Operations	<u>\$ 54,051</u>	<u>\$ 97,094</u>
<b>Components Requiring or Generating Resources in Future Periods</b>		
Increase in Annual Leave Liability	\$ (789)	
Other	<u>67,140</u>	<u>3,428</u>
Total Components of Net Cost of Operations that will Require or Generate Resources in Future Periods	<u>\$ 66,351</u>	<u>\$ 3,428</u>
<b>Components not Requiring or Generating Resources</b>		
Depreciation and Amortization	\$ 8,505	\$ 6,858
Revaluation of Assets and Liabilities	127	(409)
Other	9	5
Total components of Net Cost of Operations that will not Require or Generate Resources	<u>\$ 8,641</u>	<u>\$ 6,454</u>
Total components of Net Cost of Operations that will not Require or Generate Resources in the Current Period	<u>\$ 74,992</u>	<u>\$ 9,882</u>
<b>Net Cost of Operations</b>	<u><u>\$ 129,043</u></u>	<u><u>\$ 106,976</u></u>

The accompanying notes to the Financial Statements are an integral part of these statements.

DEPARTMENT OF THE TREASURY  
FEDERAL LAW ENFORCEMENT  
TRAINING CENTER



NOTES TO  
FINANCIAL STATEMENTS FISCAL  
YEAR 2002



NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Federal Law Enforcement Training Center (FLETC), a component of the Department of the Treasury, serves as an interagency law enforcement training center. The FLETC provides facilities, equipment, and support services for conducting law enforcement training for Federal agencies and specialized programs for State and local agencies and foreign governments. The FLETC was established on July 1, 1970, by Treasury Department Order No. 217, as an organizational entity within the Department of the Treasury, and placed under the supervision of the Assistant Secretary (Enforcement and Operations). This oversight position subsequently became the Under Secretary (Enforcement). Training sites and offices include Glynco, Georgia; Artesia, New Mexico; Washington, D.C.; Charleston, South Carolina; and Cheltenham, Maryland. Currently, the FLETC conducts training in four International Law Enforcement Academies (ILEA) located in Budapest, Hungary; Bangkok, Thailand; Gaborone, Botswana; and San Jose, Costa Rica. The programs and operations of the FLETC are funded principally through Congressional appropriations on an annual, multi-year, and no-year basis. Accordingly, operating costs incurred and recorded as expenses are offset by an equal amount of appropriated funds that are recorded as financing sources or an offset by reimbursable revenue or other financing sources.

B. BASIS OF ACCOUNTING AND PRESENTATION

The FLETC maintains its accounting records and prepares its financial statements on the accrual basis of accounting. The FLETC has historically prepared its financial statements in accordance with generally accepted accounting principles, based on accounting standards issued by the Financial Accounting Standards Board (FASB), the private-sector standards-setting body. In October 1999, the Federal Accounting Standards Advisory Board (FASAB) was designated by the American Institute of Certified Public Accountants (AICPA) as the standards-setting body for financial statements of Federal government entities, with respect to the establishment of generally accepted accounting principles. FASB has indicated, however, that financial statements prepared based upon accounting standards published by FASB may also be regarded as in accordance with generally accepted accounting principles for those Federal entities, such as the FLETC, that have issued financial statements based upon FASB accounting standards in the past. Therefore, consistent with historical reporting, the FLETC financial statements are presented in accordance with accounting standards published by the FASB.

C. ASSETS AND LIABILITIES

Entity intra-governmental assets and liabilities result from activity with other Federal Agencies. All other entity assets and liabilities result from activity with parties outside



the Federal government, such as domestic and foreign persons, organizations, or governments outside the U.S. Government. Assets represent tangible items that have probable economic benefits that can be obtained or controlled by the FLETC. Liabilities represent the amount of monies or other resources that are likely to be paid as a result of a transaction or event that has already occurred. However, no liability can be paid absent an appropriation. Liabilities for which an appropriation has not been enacted are, therefore, classified as Liabilities not covered by Budgetary Resources. Although future appropriations to fund the liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities. Also, liabilities arising from other than contracts can be abrogated by the Government, acting in its sovereign capacity.

#### **D. FUND BALANCES WITH TREASURY**

Fund balances with Treasury represent funds available to pay liabilities and finance authorized expenditures.

#### **E. ACCOUNTS RECEIVABLE AND RELATED ALLOWANCES FOR UNCOLLECTABLE AMOUNTS**

Outstanding billed reimbursable costs for goods and services provided to other Federal agencies and State and local governments comprise the majority of accounts receivable. The FLETC uses the allowance method for recognizing bad debt expense on accounts receivable.

#### **F. INTRA-TREASURY ADVANCES**

The Treasury's Working Capital Fund (WCF) was established by Section 104 of Public Law 91-614, December 31, 1970, and amended by Section 442 of Public Law 98-369, July 1984. Amounts in the fund are available for expenses of operating and maintaining common administrative services of Treasury that have been determined to be carried out as centralized services. In accordance with established WCF procedures, funds for these services are collected from Treasury bureaus in advance. This advance is expended as services are provided by the WCF.

#### **G. GOVERNMENTAL ADVANCES**

The majority of governmental advances consist of advances to the United States Department of Agriculture (USDA) Graduate School for specialized projects. Advances are expended when services are provided by USDA.

#### **H. OPERATING MATERIALS AND SUPPLIES**

Operating materials and supplies are tangible personal property that takes one of three forms: held for sale under the reimbursable program; consumed in the process of production



for reimbursable services; or consumed in the provision of direct program services. Recognition as a financial resource occurs when title passes to the FLETC, or goods are in the FLETC's possession. At the time title passes to the purchaser, or the goods are used in the provision of a service, the financial resource is removed from the account.

#### **I. PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment purchased individually that costs \$50,000 or more are capitalized. Major alterations and renovations are also capitalized. Depreciation is calculated on a straight-line basis over the useful life of the asset.

#### **J. ACCRUED ANNUAL, SICK, AND OTHER LEAVE AND COMPENSATORY TIME**

Annual leave, compensatory time, and other leave time are accrued when earned. The accrual is presented as a component of liabilities not covered by budgetary resources in the Balance Sheet and is adjusted for changes in compensation rates and reduced for annual leave taken. Sick leave is not accrued when earned, but is expensed when taken.

#### **K. PENSION COSTS AND OTHER RETIREMENT BENEFITS**

In general, FLETC employees hired prior to January 1, 1984, participate in the Civil Service Retirement System (CSRS), while employees' hired after that date participate in the Federal Employees' Retirement System (FERS). FLETC and its employees contribute to the retirement plan a certain percent of base pay as provided by the Office of Personnel Management (OPM). The costs of providing these benefits by OPM is more than the amounts contributed by FLETC and its employees. As a result of SFFAS No. 5, FLETC is required to report the full cost of providing pension benefits, to include the cost financed by OPM. The additional cost is included as an expense and as an imputed financing source in the FLETC's Statement of Change in Net Position.

#### **L. FEDERAL EMPLOYEE BENEFITS PAYABLE – FECA ACTUARIAL LIABILITY**

The Federal Employees Compensation Act (FECA) program is administered by the U.S. Department of Labor (DOL) and provides income and medical cost protection to covered Federal civilian employees who have been injured on the job or have incurred a work-related occupational disease. Beneficiaries of employees whose death is attributable to a job-related injury or occupational disease receive compensation. The DOL initially pays valid FECA claims for all of the Federal government and seeks reimbursement two fiscal years later from the Federal agencies employing the claimants. Estimated future FECA costs are determined by the DOL for Treasury, which in turn, allocates to the FLETC the actuarial liabilities not covered by budgetary resources. This governmental liability is determined by using the paid losses extrapolation method calculated over the next 37-year



period. This method utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period.

#### **M. LITIGATION CONTINGENCIES AND SETTLEMENTS**

Probable and estimable unsettled litigation and claims against the FLETC are recognized as a liability and expensed for the full amount of the expected loss. Expected litigation and claim losses include settlements to be paid from the Treasury Judgement Fund on behalf of the FLETC and settlements to be paid from FLETC appropriations. Settlements paid from the Judgement Fund for the FLETC are recognized as an expense and imputed financing.

#### **N. REVENUES AND FINANCING SOURCES**

The FLETC receives the majority of its funding through annual, multi-year, no-year, and trust fund appropriations that may be used within statutory limits for operating and capital expenditures. Appropriations are recognized as financing sources when the related expenses are incurred. The FLETC enters into reimbursable agreements with Treasury and other Federal entities for services or goods provided. Under these arrangements, one entity provides goods or services to another at an agreed-upon price, and revenue from reimbursable agreements is recognized when the services are provided. Other minor financing sources include gifts and transfers from the Department of Justice's Violent Crime Reduction Trust Fund.

#### **O. IMPUTED COSTS/FINANCING SOURCES**

The FLETC often receives goods and services from other Federal Government entities without reimbursing the providing entity for all related goods. These are subsidized costs that are recognized as imputed costs by the FLETC. Conversely, the FLETC often incurs costs that are partially or totally paid for other entities. These are recorded as imputed financing sources. The FLETC recognized both imputed costs and financing sources to the extent directed by the Department of the Treasury and OMB.

#### **NOTE 2: FUND BALANCES WITH TREASURY**

Entity fund balances with Treasury as of September 30, 2002 and 2001, are as follows (in thousands):

	<b>2002</b>	<b>2001</b>
<b>Trust Fund</b>	<b>\$692</b>	<b>\$2,834</b>
<b>Appropriated Funds</b>	<b>\$117,668</b>	<b>\$112,825</b>
<b>Other Fund Types</b>	<b>\$148</b>	<b>\$127</b>
<b>Total</b>	<b>\$118,508</b>	<b>\$115,786</b>

Trust fund balances are comprised of gifts and transfers from the Department of Justice's Violent Crime Reduction Trust Fund. Other fund balances result from the FLETC's authority to use the proceeds from the sale of surplus items and recyclable materials to purchase like-items.

#### STATUS OF FUND BALANCE WITH TREASURY

As of September 30, 2002 and September 30, 2001, the status of fund balance with Treasury consisted of the following.

	2002	2001
<b>Unobligated Balance - Available</b>	<b>\$692</b>	<b>\$2,834</b>
<b>Unobligated Balance - Unavailable</b>	<b>\$117,668</b>	<b>\$112,825</b>
<b>Obligated Balance - Not Yet Disbursed</b>	<b>\$148</b>	<b>\$127</b>
<b>Total</b>	<b>\$118,508</b>	<b>\$115,786</b>

#### NOTE 3: ACCOUNTS RECEIVABLE

##### ENTITY INTRA-GOVERNMENTAL ACCOUNTS RECEIVABLE

Intra-governmental Accounts Receivable due from other Federal agencies, as of September 30, 2002 and 2001, respectively, total \$8.0 and \$6.5 million, and are considered fully collectable.

##### ENTITY ACCOUNTS RECEIVABLE, NET

Receivables due from the public are recognized for law enforcement training provided to State, local and foreign governments. As of September 30, 2002 and 2001, receivables from the public total \$685 thousand and \$722 thousand, respectively, and are net of uncollectible amounts totaling \$22 thousand and \$18 thousand respectively. The allowance for estimated uncollectible accounts receivable due from the public is determined by using the Percentage Analysis Method. The Percentage Analysis Method derives an estimated percentage of uncollectible accounts receivable by account type that is based on the experience of collecting past due accounts. The Specific Identification Method is used when actual uncollectible amounts of receivable are known.



#### NOTE 4: ADVANCES AND PREPAYMENTS

Entity advances and prepayments as of September 30, 2002 and 2001, are as follows (in thousands):

	2002	2001
<b>Working Capital Fund</b>	<b>\$2,085</b>	<b>\$1,856</b>
<b>USDA Graduate School</b>	<b>-</b>	<b>\$100</b>
<b>Total</b>	<b>\$2,085</b>	<b>\$1,956</b>

The Working Capital Fund balance is available for expenses of operating and maintaining common administrative services of Treasury that have been determined as more advantageous and economical to be carried out as centralized service. Advances to the USDA Graduate School are for specialized computer based training courses. Expenses are recognized as services, which are provided by the Working Capital Fund and USDA.

#### NOTE 5: OPERATING MATERIALS AND SUPPLIES

Operating materials and supplies as of September 30, 2002 and 2001, consist of the following (in thousands):

	2002	2001
<b>Ammunition</b>	<b>\$3,548</b>	<b>\$1,616</b>
<b>Uniforms</b>	<b>\$1,846</b>	<b>\$1,794</b>
<b>Maintenance Materials/Supplies</b>	<b>\$125</b>	<b>\$163</b>
<b>Training/Office Supplies</b>	<b>\$936</b>	<b>\$751</b>
<b>Gas/Oil</b>	<b>\$17</b>	<b>\$13</b>
<b>Auto Materials/Supplies</b>	<b>\$185</b>	<b>\$188</b>
<b>Total</b>	<b>\$6,657</b>	<b>\$4,525</b>

The value of operating materials and supplies is determined by the average cost method.



**NOTE 6: PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment as of September 30, 2002 and 2001, consist of the following (in thousands):

Property, Plant and Equipment	Depreciation Method	Service Life	2002	2001
Land	-	-	\$3,838	\$3,838
Structure, Facilities	Straight Line	20-30 Years	\$243,344	\$195,131
Accumulated Depreciation	-	-	(\$62,881)	(\$55,368)
Net Book Value	-	-	\$180,463	\$142,763
Equipment	Straight Line	6-10 Years	\$8,672	\$13,010
Accumulated Depreciation	-	-	(\$4,126)	(\$8,143)
Net Book Value	-	-	\$4,546	\$4,867
Construction in Progress	-	-	\$25,683	\$24,101
Capital Leases	-	-	\$68,031	-
<b>Total</b>			<b>\$282,561</b>	<b>\$175,569</b>

Property, plant, and equipment are valued at cost. Property and equipment transferred to the FLETC from the Department of Defense on the date that FLETC relocated to Glynco is stated as the transfer value that approximates historical cost. Major construction, renovation, and equipment acquisitions are capitalized, while maintenance, repair, and minor equipment costs are charged to expenses as incurred. Property, plant, and equipment purchased individually that cost \$50,000 or more are capitalized. In FY 2002, the FLETC included capital leases of \$68 million, which represent the net present value of the net lease payments of three student lodging facilities.

**NOTE 7: OTHER LIABILITIES NOT COVERED BY BUDGETARY RESOURCES**

As of September 30, 2002 and 2001, other liabilities not covered by budgetary resources consists of the following (in thousands)

	2002	2001
Accrued Payroll/Benefits	\$2,066	\$3,409
FECA Liability	\$8,130	\$7,444
<b>Total</b>	<b>\$10,196</b>	<b>\$10,853</b>



## NOTE 8: CONTINGENCIES AND COMMITMENTS

The FLETC is involved in various and administrative proceedings incidental to its operations. Management vigorously contests all claims and lawsuits. As of September 30, 2002, FLETC recorded contingent liabilities of \$68 million. This compared with a probable liability of \$1 million as of September 30, 2001.

Not Covered By Budgetary Resources	2002	2001
Probable Estimate	\$68,196	\$1,048
Probable Minimum	-	-
Probable Maximum	\$68,196	\$1,048

In FY 2001 and FY 2002, the FLETC entered into 20-year leases for the construction and operation of three private, hotel-type facilities to meet an urgent need for additional law enforcement student housing. Acting under a delegation of procurement authority from the General Services Administration and applying a performance-based approach, the FLETC consummated the “build-lease” arrangement as operating leases. The FLETC used an income analysis method and the prevailing Treasury discount rate during the review of proposals to compute fair market value and net present value of the total net lease payments, respectively, to satisfy the 90 percent operational lease test requirement.

Pending a formal determination and resolution as to whether the above “build-lease” arrangement are either capital or operating leases in accordance with the budget scoring criteria set forth in OMB Circular A-11, the FLETC has opted to disclose the “build-lease” arrangement and record \$68 million, the net present value of the net lease payments for the three facilities, as contingent liabilities. The FLETC recorded no obligation in FY 2001 and FY 2002.

## OPERATING LEASES

FLETC leases various facilities under leases accounted for as operating leases. The leased items consist of an office located in Washington, DC and Glynco, GA, and two warehouses, one in Glynco, GA and one in Artesia, NM. These facilities are leased from commercial sources and the General Services Administration. The lease expense under these arrangements in future years is as follows:

OPERATING LEASES

Land and Building	Year	Amount
	1 (2002)	\$436,437
	2 (2003)	\$328,239
	3 (2004)	\$328,239
	4 (2005)	\$328,239
	5 (2006)	\$328,239
	After 5 Years	<u>\$978,193</u>
Total Future Payments		\$2,727,193

NOTE 9: NET POSITION

Unexpended appropriations represent the amount of spending authorized as of year-end that is unliquidated or unobligated and had not lapsed, been rescinded, or been withdrawn. No-year appropriations remain available for obligation until expended. Annual appropriations remain available for upward or downward adjustment of obligations until expired. Cumulative results of operations is the net difference between (1) expenses and losses and (2) financing sources, including appropriated capital used, revenue, and gains, since the inception of the entity.

NOTE 10: STATEMENT OF NET COST

The program displayed is equivalent to the mission listed in the FLETC FY 2000-2005 Strategic Plan.

Gross costs and earned revenue by budget functional classification for the years ended September 30, 2002 and 2001, consist of the following (in thousands):

	2002	2001
Gross Cost	\$184,708	\$138,522
Earned Revenue	<u>\$55,665</u>	<u>\$31,546</u>
Net Cost	\$129,043	\$106,976



Program Expense by object code classification for the years ended September 30, 2002 and 2001, consists of the following (in thousands):

	2002	2001
Personnel Compensation	\$44,561	\$37,106
Personnel Benefits	\$25,958	\$18,059
Travel/Transportation of Persons	\$4,918	\$4,320
Transportation of Things	\$599	\$584
Rent/Communication/Utilities	\$5,472	\$7,034
Printing/Reproduction	\$1,009	\$1,072
Services	\$67,433	\$41,461
Supplies/Materials	\$7,319	\$10,002
Equipment (Non-Capitalized)	\$12,974	\$6,737
Minor Maintenance	\$6,500	\$5,747
Disposition of Assets	\$205	(\$409)
Depreciation/Maintenance	\$8,514	\$6,858
Bad Debts Expenses	\$9	\$5
Claims/Indemnities	(\$763)	(\$55)
Interest	0	\$1
<b>Total</b>	<b>\$184,708</b>	<b>\$138,522</b>

#### **NOTE 11: STATEMENT OF NET POSITION-PRIOR PERIOD ADJUSTMENTS**

FLETC adjusted the cumulative results of the operations account balance during FY 2002 and 2001 for corrections relating to prior year activity associated with surplus sales and Department of Labor. The net effect of the adjustments to FY 2002 and 2001 cumulative results of operations account balances totaled \$174 thousand (credit) and \$2.3 million, respectively.

#### **NOTE 12: STATEMENT OF BUDGETARY RESOURCES**

As of September 30, 2002 and 2001, budgetary resources obligated for undelivered orders total \$70.4 and \$70.4 million, respectively. The FLETC did not have any borrowing or contract authority, and did not have any repayment requirements, financing sources for repayments, or any other terms of borrowing authority used.



Adjustments to budgetary resources available at the beginning of FY 2002 and 2001 consist of the following (in thousands):

	2002	2001
Recoveries of Prior Year Obligations	\$15,340	\$20,677
Cancellation of Expired and No-Year Accounts	(\$1,071)	(\$1,049)
Enacted Rescissions of Prior Year Balance	-	(\$338)
Permanently Not Available PL105-61	(\$766)	(\$323)
Net Transfers/Current Year Authority Realized	-	(\$4)
Total	\$13,503	\$18,963



DEPARTMENT OF THE TREASURY  
FEDERAL LAW ENFORCEMENT  
TRAINING CENTER



CUSTODIAL FINANCIAL  
STATEMENTS  
FISCAL YEAR 2002 AND 2001

Department of the Treasury  
**FEDERAL LAW ENFORCEMENT TRAINING CENTER**  
**STATEMENTS OF CUSTODIAL ACTIVITY**  
For the Years Ended September 30, 2002 and September 30, 2001  
(Dollars in Thousands)

	<u>2002</u>	<u>2001</u>
<b>SOURCES OF CUSTODIAL REVENUE &amp; COLLECTIONS</b>		
<b>REVENUE RECEIVED</b>		
Fines, Penalties, Interest & Other Revenue	\$ 40	\$ 14
<b>TOTAL REVENUE RECEIVED</b>	\$ 40	\$ 14
<b>NET REVENUE RECEIVED</b>	\$ 40	\$ 14
<b>TOTAL REVENUE</b>	\$ 40	\$ 14
<b>DISPOSITION OF CUSTODIAL REVENUE &amp; COLLECTIONS</b>		
Amounts Provided to Fund the Federal Government	\$ 40	\$ 14
<b>Total Disposition of Custodial Revenue &amp; Collection</b>	\$ 40	\$ 14
<b>NET CUSTODIAL REVENUE ACTIVITY</b>	\$ -	\$ -

The accompanying notes to the Financial Statements are an integral part of these statements.

## NOTES TO THE CUSTODIAL FINANCIAL STATEMENTS

### NOTE 1: BASIS OF ACCOUNTING

The Schedule of Custodial Activities reports collections of miscellaneous receipts using the cash basis of accounting; i.e., when remittance is received. Revenue disposition is also reported on a cash basis.







DEPARTMENT OF THE TREASURY  
FEDERAL LAW ENFORCEMENT  
TRAINING CENTER



SUPPLEMENTAL INFORMATION  
FISCAL YEAR 2002

**FLETC PARTNER ORGANIZATIONS**  
**3 Branches of Government**  
**31 Member Departments and Independent Agencies**  
**77 Partner Organizations**

<b>EXECUTIVE BRANCH:</b>	
<b>Agriculture</b>	Forest Service Office of Inspector General
<b>Amtrak</b>	Amtrak Police
<b>Central Intelligence Agency</b>	Office of Inspector General Office of Security
<b>Commerce</b>	National Institute of Standards and Technology National Marine Fisheries Service Office of Export Administration Office of Inspector General Office of Security
<b>Defense</b>	Air Force Office of Special Investigations Defense Protective Service National Security Agency Naval Criminal Investigative Service Defense Criminal Investigative Service/Office of Inspector General
<b>Education</b>	Office of Inspector General
<b>Energy</b>	Office of Inspector General
<b>Environmental Protection Agency</b>	Office of Criminal Investigations Office of Inspector General
<b>Federal Deposit Insurance Corporation</b>	Office of Inspector General
<b>Federal Emergency Management Agency</b>	Security Division Office of Inspector General
<b>General Services Administration</b>	Office of Federal Protective Service Office of Inspector General
<b>Health and Human Services</b>	Food and Drug Administration National Institutes of Health Office of Inspector General
<b>Housing and Urban Development</b>	Office of Inspector General
<b>Interior</b>	Bureau of Indian Affairs Bureau of Land Management Bureau of Reclamation National Park Service U.S. Park Police Office of Inspector General Office of Surface Mining, Reclamation and Enforcement U.S. Fish and Wildlife Service
<b>Justice</b>	Bureau of Prisons Drug Enforcement Administration Immigration and Naturalization Service U.S. Border Patrol Office of Inspector General U.S. Marshals Service
<b>Labor</b>	Office of Inspector General
<b>National Aeronautics and Space Administration</b>	Office of Inspector General



<b>Nuclear Regulatory Commission</b>	Office of Inspector General
<b>Office of Personnel Management</b>	Office of Inspector General
<b>Railroad Retirement Board</b>	Office of Inspector General
<b>Small Business Administration</b>	Office of Inspector General
<b>Smithsonian</b>	National Zoological Park Office of Protection Services
<b>Social Security Administration</b>	Office of Inspector General
<b>State</b>	Agency for International Development-Office of Inspector General Bureau of Diplomatic Security Office of Inspector General
<b>Tennessee Valley Authority</b>	TVA Police Office of Inspector General
<b>Transportation</b>	Transportation Security Administration Federal Aviation Administration Office of Inspector General U.S. Coast Guard
<b>Treasury</b>	Alcohol, Tobacco and Firearms Bureau of Engraving and Printing Financial Crimes Enforcement Network Internal Revenue Service Office of Inspector General Treasury Inspector General for Tax Administration U.S. Customs Service U.S. Mint U.S. Secret Service
<b>U.S. Postal Service</b>	Office of Inspector General Postal Inspection Service-Postal Police
<b>Veterans Affairs</b>	Office of Inspector General
<b>JUDICIAL BRANCH: Supreme Court</b>	Supreme Court Police
<b>LEGISLATIVE BRANCH: U.S. Congress</b>	Government Printing Office - Office of Inspector General Government Printing Office - Office of Security Library of Congress Police U.S. Capitol Police



## **PRINCIPLE OFFICIALS OF THE FLETC**

**Director..... Connie L. Patrick**

**Senior Associate Director for Washington Operations..... John C. Doohar**

**Legal Counsel..... Willis C. Hunter**

**Deputy Director/CFO..... D. Kenneth Keene**

**Assistant Director for Training ..... Cynthia Atwood (Acting)**

**Deputy Assistant Director for Training Operations..... Randy Melvin (Acting)**

**Deputy Assistant Director for Training Support ..... Rob Gray (Acting)**

**Assistant Director for Field Training ..... G. Ray Havens**

**Assistant Director for Administration ..... Michael R. Hanneld**

**Deputy Assistant Director for Assets Management ..... Gregory G. Carver**

**Deputy Assistant Director for Human Capital..... Joseph Caneva**

**Assistant Director/Chief Information Officer ..... Sandy H. Peavy**

### **For Additional Information Contact:**

**Public Affairs Office  
Federal Law Enforcement Training Center  
Glynco, Georgia 31524**

**(912) 267-2447**

**Internet Address: <http://www.fletc.gov>**











